

### WORLD NEWS

## Two dead, 60 hurt in train crash

Two people were killed and 60 injured when two high-speed railway trains colliding at Colwich Junction, between Stafford and Rugby, at 6.30 pm, wrecking 10 carriages.

The 5.30 pm Liverpool to London Euston and 5 pm Euston to Manchester trains collided at Colwich Junction, between Stafford and Rugby, at 6.30 pm, wrecking 10 carriages.

One of the dead was the driver of the Liverpool to London train. The other was believed to be a passenger.

Colwich is the junction between two fast main electrical routes.

## Reagan in direct protest on Daniloff

President Reagan met Soviet Foreign Minister Eduard Shevardnadze in Washington to protest at Moscow's refusal to allow US journalist Nicholas Daniloff to return home.

The unscheduled meeting was the highest level US-Soviet encounter in 10 months. Page 2

## Jet deaths 'accidental'

The jury at the inquest into the Boeing 737 jet at Manchester Airport returned verdicts of accidental death on the 55 victims, but urged improvements in safety precautions on UK-registered airliners. Page 4

## Arms agreement close

Delegates at the Stockholm disarmament talks stopped the clock on the 35-nation conference to buy more time, but they were confident they could clinch the first East-West arms control agreement. Page 2

## Chernobyl cost \$2bn

The Soviet Union has put the total cost of the Chernobyl nuclear power reactor at 2bn roubles (\$2bn) including the loss of the destroyed reactor. Page 2

## Nirax enters site

Contractors working for the Government nuclear waste agency Nirax gained access to a test drilling site at South Killingholme, Humberside, 24 hours after a High Court injunction was served against some of the protesters.

## Falklands funeral visit

The father of an Argentinean man killed in the Falklands conflict has been given permission to attend his son's funeral there after four years.

## Boesak case postponed

The hearing of a subpoena charge against South African anti-apartheid campaigner Allan Boesak, president of the World Alliance of Reformed Churches, was again postponed.

## Typhoon kills six

Six people died and three were injured when typhoon Abby swept across Taiwan, closing Taipei's international airport and disrupting road and rail transport.

## Three killed in riots

Three people were killed and 12 injured as widespread Moslem-Hindu rioting and arson flared again in the western Indian city of Baroda in Gujarat state.

## Cheques check

Opposition spokesman for trade union leader Mrs Thatcher to explain why she had cashed cheques for 65p sent to her by pensioners angry at the small increase in their pensions.

## Sutch celebration

Screaming Lord Sutch celebrated 25 years as Minister of Pensions and announced a recruitment drive for candidates for the next general election.

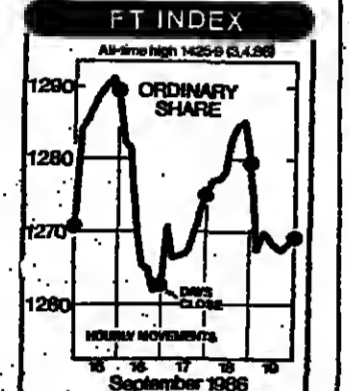
### BUSINESS SUMMARY

## IMF chief plans to stand down

Mr Jacques de Larosiere, managing director of the International Monetary Fund is planning to announce his resignation imminently, a senior European Monetary official said last night. The official said that Mr de Larosiere was planning to stand down for personal reasons. European governments are considering Mr Herman Ruing, the Dutch Finance Minister and chairman of the IMF's policy making interim committee to take over the senior post.

**GREEN POUND:** UK wants a devaluation of the national currency used to translate Common Market support prices for farm produce into sterling, to boost the income of livestock farmers. Back Page

**LONDON:** equities traded nervously amid fears of higher bank base rates. The FT Ordinary Share index was down at 1,299.1.



105 at 1,299.1 with a drop of only 1.9 on the week despite wide daily swings. Page 13

**SMITH & NEPHEW,** UK medical and healthcare company, is to acquire Richards Medical of the US, medical products maker, for \$333.9 (£192m). It is Smith & Nephew's biggest purchase. Back Page and Lex

**UNIT TRUSTS** sales so far this year have surpassed the total for 1985, itself a record. Sales by the end of August were £3,368m, compared with £4,500m last year, with August's figure a 12% increase on a record of £590.9m. Back Page

**BRITISH AIRWAYS** planned purchase of 16 Boeing 747-400 jets for \$2.5bn (£1,580m) will be financed by five international banks led by National Westminster, who snatched the business from a group headed by Goldman Sachs, US investment bank. Back Page

**SCHROEDERS**, merchant banking group, will sell its life assurance business and linked unit trust operation to National Mutual Life Association of Australasia for £99m. Back Page

**ARGENTINA'S** Central Bank said it had uncovered a \$110m (£74.8m) fraud by the Alas private bank, which manipulated government-backed export finance. Page 3

**BHP**, Australia's largest company, reported first quarter net profits down 40 per cent at A\$182.4m (£77.5m), blaming low oil prices and a consequent lack of production. Page 11

**RAYMOND MIQUEL**, former chairman of Arthur Bell, Scotch whisky company, will become chairman and chief executive of Belhaven, Dunbar-based brewery. Page 10

**TAKEROVER PANEL** is expected to rule next week on the circumstances surrounding Turner & Newall's failed bid for AE. Page 10

**TRADE MINISTERS** were still not agreed on the terms of a new round of talks under the General Agreement on Tariffs and Trade (GATT) with less than 24 hours left of their meeting in Punta del Este, Uruguay. Back Page

## Howe to meet ANC leader today for talks on South Africa

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

SIR GEOFFREY HOWE, the Foreign Secretary, is to have talks today in Britain with Mr Oliver Tambo, the president of the African National Congress, a nationalist organisation banned in South Africa. This will be the highest-level meeting between a British government minister and an ANC representative. The Foreign Office regards it as a welcome and potentially significant development in its stalled efforts to bring about a negotiated settlement to the crisis in South Africa. There are as yet no plans for further talks after today but the government will be keen to maintain dialogue with the ANC if the meeting proves at all fruitful. Mr Tambo, with several other black nationalist leaders, failed to take up Sir Geoffrey's invitation for talks during his two visits to southern Africa in July. He said that, although he would be "honoured" to have discussions with Sir Geoffrey, he did not wish to meet in the context of the Foreign Secretary's mission or before the

meeting of seven Commonwealth heads of government held in August in London. However, Mr Tambo did talk in June with Mrs Lynda Chalkier, a junior Foreign Office minister. The foreign office said last night that it had always expected a further meeting and that today had proved the most convenient date. The discussions are expected to last about an hour and will be held at Chevening, in Kent, Sir Geoffrey's official country residence. There is no fixed agenda but Sir Geoffrey will be keen to convey the British government's continuing determination—despite the collapse of its diplomatic initiative and the imposition of various economic measures against South Africa—to achieve a dialogue between Pretoria and black leaders. The Foreign Secretary will spell out the grounds for the government's steadfast opposition to the imposition of comprehensive punitive sanctions against South Africa, for which the ANC has repeatedly called. He is expected to emphasise the belief that full sanctions would hit the black population of South Africa hardest and could foment more violence. Sir Geoffrey will also be acting as leader of the European Community's diplomatic efforts to find a solution in South Africa, the mandate for which from the EEC has just over another week to run. The Community agreed on Tuesday a package of economic sanctions against South Africa, including a ban on the imports of its iron, steel and gold coins, and on new investment there by EEC companies. It dropped plans for an immediate embargo on imports of South African coal. Anthony Robinson writes from Johannesburg: The refusal by Mr Tambo and other ANC leaders to meet Sir Geoffrey during his southern African tour was not to snub him but to underline the ANC's anger at Mrs Margaret Thatcher's sanctions stance. The ANC's refusal to have anything to do with the Foreign Secretary was matched by the United Democratic Front and other anti-

## Mitterrand backs Chirac drive against terrorism

BY PAUL BETTS IN PARIS AND PATRICK BLUM IN VIENNA

PRESIDENT Francois Mitterrand gave the French conservative Government his full backing in its anti-terrorism drive on his return yesterday from an official visit to Indonesia. Last night he held emergency talks with Mr Jacques Chirac, the Prime Minister, and Mr Charles Pasqua, the Interior Minister, following the wave of terrorist violence which has shaken the country during the past fortnight. France's main political parties on the right and left endorsed the Government's hard-line policy, which includes the requirement for all foreigners, except EEC and Swiss citizens, entering France to secure visas. There are heavily armed police patrols on the streets of Paris and spot searches on members of the public are being carried out. European conservative parties meeting in Vienna for the annual conference of the European Democratic Union also gave their backing to the French Government's tough stand against terrorism. Mr Norznan Tebbi, chairman of Britain's Conservative Party, forcefully defended the French measures. "I hope if anyone of us is at any moment inconvenienced at a frontier, or indeed within our own country by the necessity to combat the terrorist menace, we will consider that

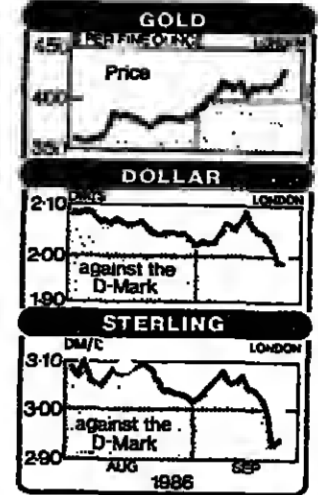
a small price to pay for the saving of the lives, perhaps of our own children." French public opinion polls published yesterday confirmed that the majority of the country also backed the government's stand. One poll in Le Figaro showed that 72 per cent of the French approved the government's action while 75 per cent believed France was at war against the terrorists. Despite this political and public consensus, there continues to be doubts over the apparent difficulty so far of the French security forces to make any significant headway in their investigation of the terrorist attacks. The worst of these was on Wednesday, when a bomb at a Paris station killed five people and injured more than 50. The police forces insisted again yesterday that they were looking for the three brothers of Ibrahim Abdullah, the leader of the Lebanese Armed Revolutionary Faction currently imprisoned in France, as prime suspects in the latest Paris bombings. They issued a fresh appeal for information about Abdullah's brothers and a number of other suspects despite the denials from Abdullah's brothers in Beirut that they were involved in the bombings. Mr Chirac has offered no public explanation on whether

## Money markets steadier but US bonds fall

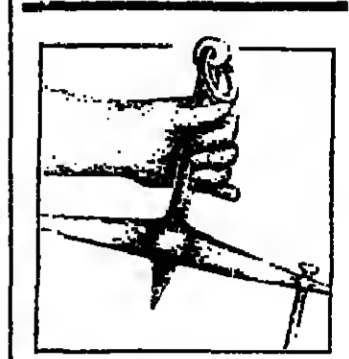
BY GEORGE GRAHAM AND PHILIP STEPHENS

FINANCIAL MARKETS steadied yesterday after a week's hectic trading had pushed the West German D-Mark up sharply against other major currencies. However, the US bond market fell heavily and gold prices surged once again, reaching a three-year record of \$436 an ounce. The atmosphere in the markets remained tense as investors watched nervously for the next move in the war of words between West Germany and the US over interest and exchange rates which triggered the D-Mark's sharp rise. The conflict began when Mr Karl Otto Poehl, president of the Bundesbank, made clear in an interview with the FT that he had no intention of lowering West German official interest rates. Mr James Baker, US Treasury Secretary, reacted sharply by saying the dollar would then have to fall further. Currency dealers took Mr Baker at his word, and other European currencies were caught in the wash as the dollar dropped rapidly against the D-Mark breaking through the DM 2.00 barrier. EEC finance ministers and central bankers, meeting in Gleneagles, Scotland, were last night seeking to cool tempers on both sides of the Atlantic before the annual meeting of the International Monetary Fund in Washington next week. Some European central bankers have been concerned at the upheaval in the currency markets created by West Germany's public refusal to accede to American pressure for lower interest.

French and Italian central banks are thought to have been forced to intervene to defend their currencies' positions within the exchange rate mechanism of the European Monetary System, and the Danish krone has spent the week straining at its lowest permitted limits in the mechanism. Continued on Back Page

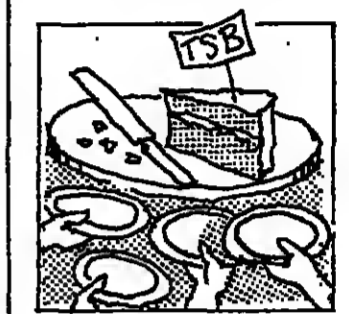


### WEEKEND FT



### JUSTICE

Everyone agrees that delays in English courts are intolerable. Judges blame lawyers. Lawyers blame the system. Is there any respite in sight? Page I



### FINANCE

The TSB launch. Questions on onsets. Page VII



### THE ARTS

Britten and Tippett festival on the South Bank. Page XXI



### SPORT

Soccer: are league fans being short-changed? Page XXII

## The battle for Allied

Satchi was hunting for quotes to use in defence publicity. Could friendly brewers or customers be found who could sing Allied's praises to some journalist? "If we can get it into editorial first, then we can pick it up later for use in ads without his appearing to be hyped," Michael Dobbs (director of Satchi & Satchi), explained.

When it was launched last October, the £1.5bn Elders XL bid for Allied Lyons was the biggest in Britain's history. Between the bid and its reference to the Monopolies Commission in December, Allied fought to escape the Australian predator. The British company also allowed the FT's Christopher Parkes to sit in on dozens of secret strategy sessions. His report offers a unique insight into a remarkable corporate drama. Now that Elders has withdrawn, the FT plans to publish the story next Wednesday, Thursday and Friday.

## Peps look set for cool reception

BY ERIC SHORT

GOVERNMENT PLANS announced in the last Budget to promote wider share ownership are likely to receive a cool reception when they come into effect in January, according to an opinion poll carried out by Gallup. The poll into the attitudes of savers and investors showed that only a little more than a quarter of the 976 people interviewed were sure "with a bit of prompting" they had heard of Personal Equity Plans, which will allow each person to invest up to £2,400 a year tax-free in shares. The "real shock" was that only 1 per cent of participants in the survey would definitely invest under the shares scheme, although a further 5 per cent said they would "probably" do so. Another 10 per cent thought they might put their money into Peps. The survey showed that about one adult in seven holds

shares directly — about twice as many as those investing in unit trusts. In both cases, the biggest investors are those in the 45 to 64 age group, where disposable income is highest. The poll showed considerable interest among the public in the forthcoming notation of the Trustee Savings Bank. While only 5 per cent of the sample said they would definitely buy shares, a further 9 per cent said they would probably seek to invest, and another 9 per cent said they might. "The TSB should easily get the million shareholders they want," the poll said. "The issue will be popular with the enthusiastic young as well as the moneyed middle aged." The poll forecast a good reception as well for the British Gas flotation, with 10 per cent indicating that they would definitely or probably buy shares. However, potential investors were likely to be "much



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### MARKETS

<b>DOLLAR</b> New York DM 1.9385 (1.9375) FFr 6.5085 (6.5125) Sfr 1.6055 (1.60875) Y151.86 (153.55) London: DM 1.982 (1.99) FFr 6.525 (6.52) Sfr 1.61 (same) Y152.35 (153.6) Dollar index 108.9 (109.1) Tokyo close Y153.0	<b>STERLING</b> New York \$1.4755 (same), London: \$1.476 (1.4725), DM 2.94 (2.93) FFr 9.63 (9.6025) Sfr 2.3775 (2.37) Y224.7 (226.0) Sterling index 69.6 (69.4)	<b>LONDON MONEY</b> 3-month interbank closing rate 10 1/4% (10 1/4)	<b>NORTH SEA OIL</b> Brent 15-day October (Argus) \$14.10 (\$13.75)	<b>STOCK INDICES</b> FT Ord 1,299.1 (-10.5) FT-A Share 790.73 (-0.7%) FT-SE 100 1,800.4 (-13.8) FT-A long gilt yield index: High coupon 10.2 (10.18) New York: DJ Ind Av 1,762.51 (-11.67) Tokyo: Nikkei 17,523.45 (+45.1)
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Chart rates change yesterday, Back Page

OVERSEAS NEWS

Reagan makes protest to Shevardnadze on Daniloff

BY STEWART FLEMING, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan held an unscheduled meeting with Mr Eduard Shevardnadze, the Soviet Foreign Minister, in Washington yesterday to protest Moscow's refusal to permit Mr Nicholas Daniloff, the American journalist, to return freely to the US.



Mr Eduard Shevardnadze

The midday meeting seemed designed to impress both the Soviet Union and the Administration's right-wing critics at home with how seriously the Administration views the Daniloff affair.

In a statement after the meeting the White House said: "The President met with Soviet Foreign Minister Shevardnadze to convey the strength of his feelings about the continued refusal of the Soviet authorities to allow Nicholas Daniloff to return home."

As the meeting was in progress Mr Larry Speakes, the White House spokesman, told reporters that while the US was prepared to discuss dates for a possible summit meeting with Mr Shevardnadze, he did not expect a date for a summit to be set during his two days of talks in Washington.

Earlier Mr Mikhail Gorbachev, the Soviet leader, in a speech in a Russian farming district,

appeared to stiffen the conditions he has set for a summit meeting saying that there was no use meeting just to talk. "We need to agree that nuclear weapons will not be tested and perfected. We need to sign a treaty," at a summit, he said.

Mr Speakes refused to comment on reports that there had been further signs of movement in the arms control talks in Geneva which resumed on Thursday.

The New York Times reported yesterday that the US was prepared to accept a Soviet suggestion that only token intermediate range missile forces should be kept in Europe, saying there had been no substantial Soviet reply to US arms control proposals put forward by President Reagan.

Officials deny that the release of Mr Daniloff is now a precondition for a summit but political pressures on the Administration in Washington are such that it is widely accepted that Mr Reagan could not agree to meet Mr Mikhail Gorbachev, Soviet leader, without a resolution of the Daniloff case.

The White House statement on the President's 45-minute meeting with Mr Shevardnadze confirmed that he delivered a letter from Mr Gorbachev to Mr Reagan. No details of its contents were discussed.

Mr Shevardnadze's visit came late in the morning after he had held more than two hours of talks with Mr George Shultz, US Secretary of State. The atmosphere was cool. Diplomatic formalities such as picture-taking ceremonies were dispensed with and Mr Shevardnadze was not invited to lunch.

UK offer for chemical ban deal welcomed

By David Suchan

A BRITISH compromise on the vexed issue of verification might pave the way for superpower agreement on banning chemical weapons by the end of this year, a senior Soviet official said in London yesterday.

Mr Yuri Nazarkin, the Soviet Foreign Ministry's chief expert on chemical weapon negotiations, described as "quite useful and constructive" the recent compromise the UK tabled in Geneva.

This is aimed at breaking the impasse created by the US demand that all signatories to a chemical weapons ban be ready to open facilities to inspection at 48 hours' notice.

Mr Nazarkin was speaking to the press after talks this week with British officials about their proposal, which preserves the principle of challenge inspection, but gives countries a right to refuse it, provided within a certain period (a week or 10 days) the "challenged" state can satisfy the "challenging" state by other means.

These might be in the form of samples of effluent, or records from certain "smelter" devices from suspected factories.

But the Soviet team, who included representatives from the defence and chemical-industry ministries in Moscow, still expressed concern that challenge inspection would be a licence for the West to spy generally on sensitive military facilities.

Multilateral negotiations are due to resume in Geneva in November. Mr Nazarkin said that Moscow wants to accelerate them, to head off US plans to produce binary chemical weapons, comprised of non-toxic components used in civil industry and thus harder to control.

In the West, the US is believed to hold some 20,000 tonnes of nerve and mustard gases, and France a much smaller amount. The US stopped chemical weapon production in 1969, but recently decided to resume production of newer, binary chemical weapons.

According to Western government estimates, the Soviet Union has stockpiled some 300,000 tonnes of chemical weapons.

Strike poll for S African miners

BY ANTHONY ROBINSON IN JOHANNESBURG

SOUTH AFRICA'S National Union of Mineworkers is to conduct a strike ballot among its 225,000 mainly black members following the deadlock reached in pay negotiations with the Chamber of Mines yesterday.

It has also declared October 1 a day of mourning for the 177 men killed in the Kinross gold mine disaster on Tuesday. The union has approached the chamber to facilitate a one-day national stoppage on all mines. Mr Cyril Ramaphosa, the union general secretary, however, made clear at a press conference that a stayaway would take place with or without the mineowners' consent.

Mr Ramaphosa also accused Gencor, owners of Kinross, of refusing access to the mine for a group of West German, Swedish and British mine safety experts who agreed to inspect the mine on behalf of the NUM. "Gencor has a lot to hide, the public and the miners will never really know what led to the accident," he said.

At the pay negotiations yesterday the union held firm to its demand for a 26 per cent cross-the-board increase and rejected the chamber's revised offer of an increase of 1 per cent for underground gold miners on top of the rise of 17 per cent to 21 per cent which came into effect on July 1.

The union is also demanding a six-month income security guarantee for miners unable to work through injury or other incapacity and turned down the

JAPAN'S package of sanctions against South Africa was described yesterday as limited but substantial by Foreign Ministry officials, writes Ian Rodger in Tokyo.

The package follows closely that agreed by the European Community earlier this week. Its main effect will be to stop \$200m worth of iron and steel imports from South Africa.

Japan's purchases of South African iron and steel products accounted for about 20 per cent of South Africa's total iron and steel exports last year, Foreign Ministry officials said.

The package does not include a ban on imports of South African coal and iron ore and excludes imports of ferro ore. Officials said they had to take into consideration the effect such a move would have had on black miners and the fact that EEC countries had decided not to ban coal and iron ore imports.

chamber's offer of an increase in the accident leave from 45 to 56 days over a two-year period.

The disaster was not discussed yesterday, but the high death toll has given a new urgency to long-standing union complaints that the bonus system for white mine shift managers has contributed to a production-before-safety ethos underground.

In the wake of the disaster

Japan's coal imports from South Africa last year were worth \$410m, and iron ore imports \$180m.

Officials said it would take a few weeks to implement the ban on iron and steel products which would not apply to existing contracts. Most contracts, however, were of a short-term nature.

The other measures were the suspension of tourist visas for South African nationals to visit Japan, the urging of Japanese nationals to refrain from visiting South Africa as tourists, the suspension of air links and prohibition of the use by government officials of South African airways flights.

The suspension of air links with South Africa is purely a confirmation of an existing situation. There is no air agreement between South Africa and Japan and no regularly scheduled or chartered flights.

union attitudes have hardened. It said that last year the industry had made unprecedented profits on the back of a higher gold price and depreciated rand but "still wants to ensure that it remains the pace-setter in paying money wages."

Jim Jones adds: Gencor has set up a special trust fund with an initial endowment of R2m (£600,000) to help dependants of the disaster. Mr Derek Keys, Gencor obsir-

man, said the fund was needed to assist dependants of the dead men for whom the industry death benefit arrangement were inadequate.

Dependants of black miners killed in the mines are generally paid a lump sum equivalent to 24 months of normal pay. Dependants of white miners receive lump sum compensation in addition to pension payments.

Mr Keys said there were no pension provisions for black miners who, as he put it, "have only literally become career-minded." Pensions for black miners have been a central demand of the NUM since its formation four years ago.

At a press conference yesterday several of Mr Keys's board colleagues declined to answer specific questions on the disaster, saying the matter was sub judice as an official inquiry into the accident had been launched.

Lawyers say the sub judice rule does not apply to non-criminal cases such as mine accident investigations.

The management was unable to say exactly what material had burned underground and released toxic gases. Polyurethane foam applied six years ago to prevent corrosion of steel tunnel supports is the prime suspect, according to Dr Con Fauconnier, head of Gencor's mining services division.

Dr Fauconnier said no one would resume working in the mine's no. 2 shaft until all polyurethane was removed.

Stockholm accord in sight

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT IN STOCKHOLM

THE 35 nations participating in the Stockholm disarmament conference last night failed to reach agreement by their deadline, but were confident they would overcome the remaining hurdles within the next 24-36 hours.

The US, Canada, the Soviet Union and all European states except Albania have been trying to agree on confidence-building measures to prevent the outbreak of war by miscalculation. They decided "to stop the clock" of their negotiations, which have been going on since January 1984.

Mr Robert Barry, the chief US negotiator, and Mr Oleg Grinevsky, his Soviet counterpart, said good progress had been made and that something like 90 per cent of the outstanding problems had been settled.

Last-minute difficulties were caused by a leak in Washington that the US was prepared to make a big concession on aerial

inspection of military activities. The leak to an American newspaper by what was believed to be a senior Pentagon official caused consternation in the US delegation at the Stockholm conference, which saw its whole negotiating position undermined.

The public announcement of Washington's willingness to accept the principle that countries whose military activities were being inspected by the other side should also provide the aircraft for this purpose, deprived the US delegation of a vital bargaining chip.

The US was hoping to oblige the Soviet Union to make significant concessions on the notification levels for military manoeuvres in return for its own move on the aircraft issue.

Mr Robert Barry, the chief US negotiator, made no attempt to bide his fury at what he clearly saw as a move to scuttle

an agreement at the Stockholm conference by hard-line members of the US Administration, who were opposed to an accommodation with the Eastern bloc.

"I am madder than hell and that is very much on the record," he told journalists.

The leak also had the immediate effect of hardening the Soviet position. Since the Soviets had managed to wring a concession out of the US without having to offer any quid pro quo, Moscow saw no reason why it should become more amenable.

In spite of the US compromise over aircraft, arguments about who should provide the equipment to be used remain largely unresolved.

However, some progress has been made on the other important outstanding issue at the negotiations, that of the threshold at which military activities should be notified to the other side.

Chernobyl disaster cost £2bn

BY PATRICK COCKBURN IN MOSCOW

THE SOVIET Finance Minister has put the total cost of the Chernobyl nuclear power accident at Roubles 2bn (£2bn) to date in the first detailed account of the economic consequences of the disaster.

Mr Boris Gostev told a news conference yesterday that direct and indirect costs, including Rs 400m for the cost of the reactor destroyed on April 26, now amounted to Rs 2bn. The total includes loss of electricity, agricultural and industrial output and new housing.

He said the total number of people evacuated from a 30 km zone around the Chernobyl plant was between 115,000 and 120,000, mostly from the Kiev region. They had received compensation from the state regardless of whether or not

they carried insurance for houses and possessions.

Only 11 people are still in hospital as a result of the Chernobyl disaster, but Mr Grigori Revenko, Communist Party head in the Kiev region, said that 1,500 km of land could not be cultivated because of contamination.

Mr Gostev said that housing for evacuees had been provided free at a cost of Rs 350m. The Government had also given individuals a lump sum of Rs 4,000, a family of two Rs 7,000 with an extra Rs 1,500 for each dependent. Compensation for the loss of cars, abandoned when people were evacuated, came to Rs 100m, Mr Gostev said.

The economic costs of

Chernobyl may increase as energy consumption rises this winter, possibly leading to brown outs and black outs in the Ukraine. The immediate impact of Chernobyl on power supplies has not been very significant because Soviet electricity consumption drops by 23 per cent in the warmer summer months.

The disaster of Chernobyl also led to the eleven other Chernobyl type RBMK-1000 reactors being successively closed down for safety modifications.

The Dutch Government has postponed until 1988 a decision on whether to build more nuclear power plants. It wants to await the outcome of inquiries sparked by the Chernobyl disaster.

Increase in US personal income and spending

By Nancy Dunne in Washington

THE COMMERCE Department yesterday estimated a growth in personal income of 0.4 per cent in August and in personal spending of 1.1 per cent.

Analysts, looking for an upturn in the US economy, found some comfort in the figures, but in both cases temporary factors played a role.

Personal income, which rose \$12.7bn (£8.6bn) during the month to \$3.5 trillion, was pushed up by a large increase in retroactive social security benefits and a \$2.8bn rise in farm subsidy payments.

Spending, spurred by 2.9 per cent financing being offered on new cars, rose almost three times faster last month than in July.

Italy to tax payments on new treasury bills

BY JOHN WYLES IN ROME

THE ITALIAN Government yesterday decided to tax for the first time interest payments on treasury bills and certificates, ending months of uncertainty.

The tax will apply only to new issues. It will be fixed at 6.25 per cent until October 1 next year when it will be raised to 12.5 per cent.

The announcement was greeted with reserve by Confindustria, which represents Italian companies, and with enthusiasm by the trades unions. They have been threatening strikes if the tax move was not built into the 1987 budget strategy.

Stock market reaction will not be clear until Monday. Operators are bound to conclude with relief that the decision removes for the time being the threat of a tax on share income.

Analysts thought the tax levels had been finely judged so as to have a minimal impact

both on official interest rates and on the government's continuing ability to finance its debt, the largest in volume terms in western Europe. Government debt is about L700,000bn (£335bn)—equal to one year's gross domestic product—and new debt issued by the treasury last year was L107,000bn.

One Milan stockbroker said: "This is a psychological breakthrough and with this measure they will persuade the market to buy plenty of bills next year because the tax rate will be only half what it will be from next October."

Mr Giovanni Goria, the Treasury Minister who earlier this year had opposed such a tax, was said yesterday to have given ground because the measure would apply only to new issues.

He told a press conference it would put a need to uncertainty in the markets and was being introduced against a background of falling interest rates. Mr Goria said its impact on rates would be modest.

Nearly 48% of income being paid to the state

BY JOHN WYLES

ITALIAN people and companies are groaning under a tax burden which is 54 per cent heavier than it was 15 years ago and is now touching nearly 48 per cent of income.

According to a new report by ISTAT, the government statistical agency, taxes have risen from 31.1 per cent in 1970 to 47.9 per cent of income in 1985. This is causing a simmering resentment amongst those that actually pay taxes—principally directly-employed industrial workers whose payments are deducted at source.

Since tax evasion is part of the Italian way of life, those denied the opportunity are beginning to show their frustration in other ways. The trade unions, for example, supported by both the Socialist and Communist parties are mounting a vociferous campaign for investment income to be taxed, partly on the grounds that the burden of financing the government must be shared more fairly.

Mr Bruno Visentini, the Italian Finance Minister, has admitted this week that there is not much fairness in the present situation. Directly

employed workers, both private and public, account for a disproportionate 71 per cent of personal income tax payments collected by the government, he revealed.

In an attempt to quieten the discontent, the government has fished up to the problem of "fiscal drag" whereby inflation pushes more and more of the lower paying into the tax net. Following last year's budget nearly 15,000bn (£2.4bn) of income will have been restored to workers over the course of this year.

But the inability to collect taxes from the self-employed was embarrassingly highlighted in August by a report from the government's auditors, the Court of Accounts.

This was a simple account of average incomes declared in the 1984 tax year. The picture was one of worrying, if unbelievable middle class deprivation.

Doctors, for example, were clocking out an existence on L18.1m (£3,200), architects and engineers struggling along on around L1.5m and lawyers were a little better off at L15m.

Swedish public pay talks fail

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

SWEDEN moved closer to renewed industrial conflict in the public sector last night as the employers and most of the public sector unions turned down a final offer from the state-appointed mediating commission.

The government also intervened directly in the negotiations with a strong warning from Mr Kjell-Olof Feldt, Finance Minister, that the mediators' latest offer would fuel inflation and lead to increased unemployment.

Negotiations in the public sector for about 1.5m employees have gone on for months. Strikes broke out during the spring in the health service among doctors, social workers

and other professional staff. The conflict was adjourned during the summer.

At the beginning of September the mediators put forward an offer, quickly rejected by both sides. Yesterday a "final" offer was turned down by all except the professional staff unions.

According to the government this two-year offer would have raised wages by some 10.5 per cent in the whole of the public sector in 1986-87. (Inflation is 3.6 per cent.)

The Government estimates that, including the carry-over from earlier agreements, if it were to accept the mediators' latest offer total labour costs in the public sector would jump

by about 15 per cent in 1986 and 1987. This would seriously jeopardise its economic policies, which are giving priority to curbing inflation, it said.

The Government is also resisting any guarantee clauses sought by the unions—which would ensure that public sector wages keep pace with increases in the private sector.

The private sector reached a two-year agreement in the spring under which wages are supposed to rise by 9.5 per cent in 1986-87. The Government is committed to guiding public sector wages at most to that level. Observers forecast, however, that wage drift will push private sector wages considerably higher.

Next week in The Times, a Labour MP describes his political crucifixion.

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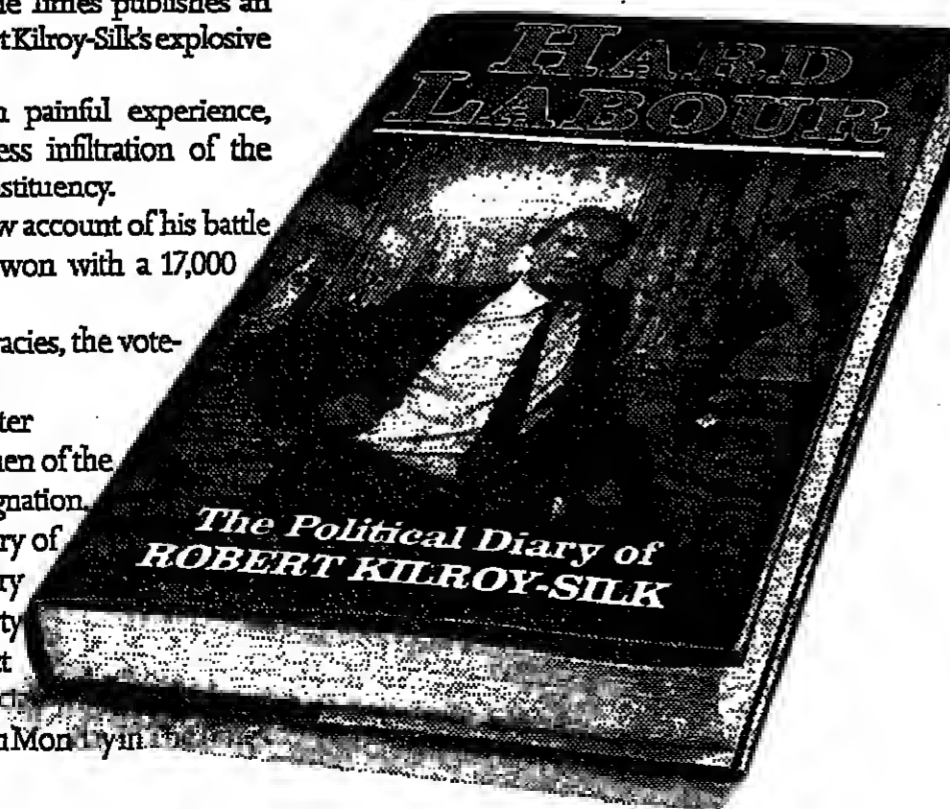
He gives a blow-by-blow account of his battle for reselection to a seat he won with a 17,000 majority at the last election.

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# Package 'will put Japan on target for 4% growth'

BY IAN RODGER AND GORDON CRAMB IN TOKYO

THE JAPANESE Government yesterday announced a ¥3,500bn (£15.5bn) spending package to help manufacturing industries hit by the sharp rise in the yen and to boost demand to help reduce the country's large trade surplus.

Japanese Government officials predicted yesterday that the package would enable the country to come close to its 4 per cent growth target in the current fiscal year.

But private sector economists remain sceptical. The Sumitomo Bank, for example, published its latest economic forecast yesterday, anticipating only 2 per cent growth in the year to March 31, 1987.

Government economists say the package, which consists mainly of pump priming public works spending, would add 1.5 per cent to nominal gross national product in a full year.

Officials said the package should please the US and other foreign governments that have been encouraging Japan to stimulate domestic demand. It would have a greater impact on domestic demand than on the economy as a whole, they pointed out.

Domestic demand is already the strongest part of the

# Heavy fighting in central Gulf

IRAN and Iraq reported heavy overnight fighting in hills on the central Gulf war front but differed on its outcome. Reuter reports from Bahrain.

Iran's national news agency, Irna, said Iranian troops advanced 500 metres in five hours of hand-to-hand combat and captured "the main slope of Height 203." Iraq said an Iranian attack was repelled with heavy casualties.

Irna said the hill was across the border from the Iranian town of Mehran, 170 km east of Baghdad.

A field commander told Irna that Iraqi forces had retreated to the plains under Iranian fire.

The official Iraqi news agency, Ina, said Iraqi forces repelled an Iranian offensive aimed at "an important height," killing 1,400 enemy troops and wounding 3,000.

Irna said Iraqi forces were in control of all the border heights.

Mehran, long abandoned by its civilian population, and nearby hills, have changed hands several times in the course of the six-year-old war.

The Iranian commander cited by Irna said the latest reported gain completed Iran's "Karbala-1" offensive, which brought the recapture of Mehran in early July from Iraqi troops who had held it for six weeks.

Iran said on Tuesday its troops had routed an Iraqi brigade near Mehran

# David Gardner on the divided views of state and disaster victims one year on Mexico's quake chasm remains unbridged



Scene of devastation in Mexico City after the earthquake a year ago

MEXICO yesterday remembered its worst natural disaster, the earthquakes that devastated part of Mexico City on September 19 and 20 last year. One big chasm remains—between the regime's view of the emergency and its aftermath on the one hand and the victims' view on the other.

Last night, rival demonstrations were being organised by the Ruling Institutional Revolutionary Party (PRI) and the United Coordinator of the Homeless (CUD), the quake victims' organisation.

The official demonstration at the National Palace was expected to thank President Miguel De la Madrid for the government's reconstruction efforts. The CUD planned to protest that the government had not done enough, quickly enough, to rehouse 100,000 families.

The public has been deluged with figures in the run-up to the anniversary. The government claims that by the end of this month it will have handed over 23,626 new or refurbished homes as part of an 82,857 dwelling programme. About 30 per cent of the finance for which is coming from the World Bank.

The CUD and the Mexican opposition claim the government has completed the hand-over of no more than 6,000 homes, and wonder aloud which city the bureaucracy inhabits. Dr Cuauhtemoc Abarca, the

would like the President to spend just one night here," he says.

The land on which his shack stands, home to 16 families before the quakes, was de-expropriated after its owner applied to the courts. Mr Arellano's hopes were sunk in a bureaucratic swamp of paper. He and his neighbours were planning to march with the CUD yesterday.

The homeless are the most visible, but by no means the only legacy. The two quakes, measuring 8.1 and 7.3 on the Richter Scale, unleashed a wave of solidarity throughout society which outshone and unnerved a dithering bureaucracy and the institutions it sets store by. The all-powerful PRI in particular was and remains revealed as an apparatus with many, self-interested chiefs and few Indians.

Subsequent attempts to re-write history are unlikely to dispel this perception, made widespread because of the extent of the disaster and people's involvement.

In the official booklet on the earthquakes all but 12 of 86 chronological entries tell what the president did that day. The public gets three mentions, in stage-managed "expressions of support" for Mr De la Madrid.

As a European diplomat put it, however: "People can't be swindled out of knowing what they were doing, and what the government wasn't doing."

# Enrile urges clear policy on Philippines insurgency

THE PHILIPPINES government had no clear policy for fighting communist insurgency and President Corason Aquino should decide soon how to cope with the rebellion, Mr Juan Ponce Enrile, the Philippines Defence Minister, said yesterday.

Mr Enrile was responding to Mrs Aquino's speech to the US Congress in which she said she would take up the "sword of war" if the communists spurned her offer of peace.

"We have no counter-insurgency policy formulated by this administration," Mr Enrile said. He said that despite the communist refusal to accept a 30-day ceasefire, the president wanted the policy of non-violence to be confirmed until her return to the Philippines.

"So we'll discuss it when she comes back," he said.

In her speech in Washington on Thursday to a joint session of the US congress, Mrs Aquino said she would explore all paths to a peaceful solution of the 17-year insurgency.

Mrs Aquino was in New York yesterday to attend the UN General Assembly after meeting US officials.

She appealed for help to build "a new home for democracy, another haven for the oppressed."

Within hours of her speech, the House of Representatives passed a bill giving the Philippines a \$200m cash infusion to help deal with economic distress. The measure was sent to the Senate, where prospects for approval were uncertain.

Mrs Aquino was due to visit the UN, confer with bankers in New York, and go to Boston for the weekend. She returns to the Philippines on Tuesday.

# Indonesia arms spending review

INDONESIA is to review its arms spending following a 31 per cent devaluation of the rupiah last Friday and some planned weapons purchases will be renegotiated, according to Mr Poniman, the Defence Minister, Reuter reports from Jakarta.

"Orders for which contracts have been signed will not be affected, but those for which we have no commitment will be reviewed," Mr Poniman told parliament yesterday.

An order for British ground-to-air Rapier missiles would not be affected, he said, but gave no further details.

Indonesia last month signed a letter of agreement to buy 12 F-16 advanced fighter planes from the US for an estimated \$337m. Diplomats say the deal is not final and could now be subject to renegotiation.

Mr Poniman said the government planned to keep defence spending at about 3 per cent of the state budget and 11.5 per cent of gross domestic product. His ministry has a development budget of \$564bn (£226m) for the fiscal year ending next March 31.

The 1986/87 state budget was cut by 7 per cent from 1985/86 because of the sharp fall in the price of oil, which accounts for 55 per cent of Indonesia's revenue.

# Malaysia keeps ethnic policy

THE MALAYSIAN Government is to continue with its New Economic Policy (NEP) aimed at enabling the economically backward Malays to catch up with the more wealthy Indians and Chinese, in spite of heavy criticism, reports AP-Dow Jones from Kuala Lumpur.

Mr Mahathir bin Muhammad said yesterday the NEP would continue even after its 20-year deadline expires in 1990.

"The period of achievement is not important. What is important is the achievement of the objectives," Mahathir said.

Mr Lim Siang, the Opposition leader in parliament, has called on the government to end the NEP in 1990 as scheduled, saying it prevents the economic progress of the Chinese, Indians and others and the government should be fair to all races.

Mr Mahathir said the NEP was not aimed at taking away what the other races have and giving it to the Malays, but at "expanding the cake" and helping the Malays with the new opportunities created.

Under the NEP Malays are to obtain at least 30 per cent of corporate wealth by 1990. The Malays, who had less than 5 per cent of corporate wealth when the NEP was launched in 1970, currently hold about 18 per cent, according to government officials.

# Israel to step up arms for southern Lebanon

ISRAEL will send more arms to its militia allies in south Lebanon because of an increase in attacks on the mainly Christian force by Shi'ite Muslim radicals, Reuter reports from Tel Aviv.

Israel Radio quoted an unnamed military official yesterday as saying that Mr Yitzhak Rabin, Defence Minister, ordered the army to step up support for the South Lebanon Army (SLA) militia.

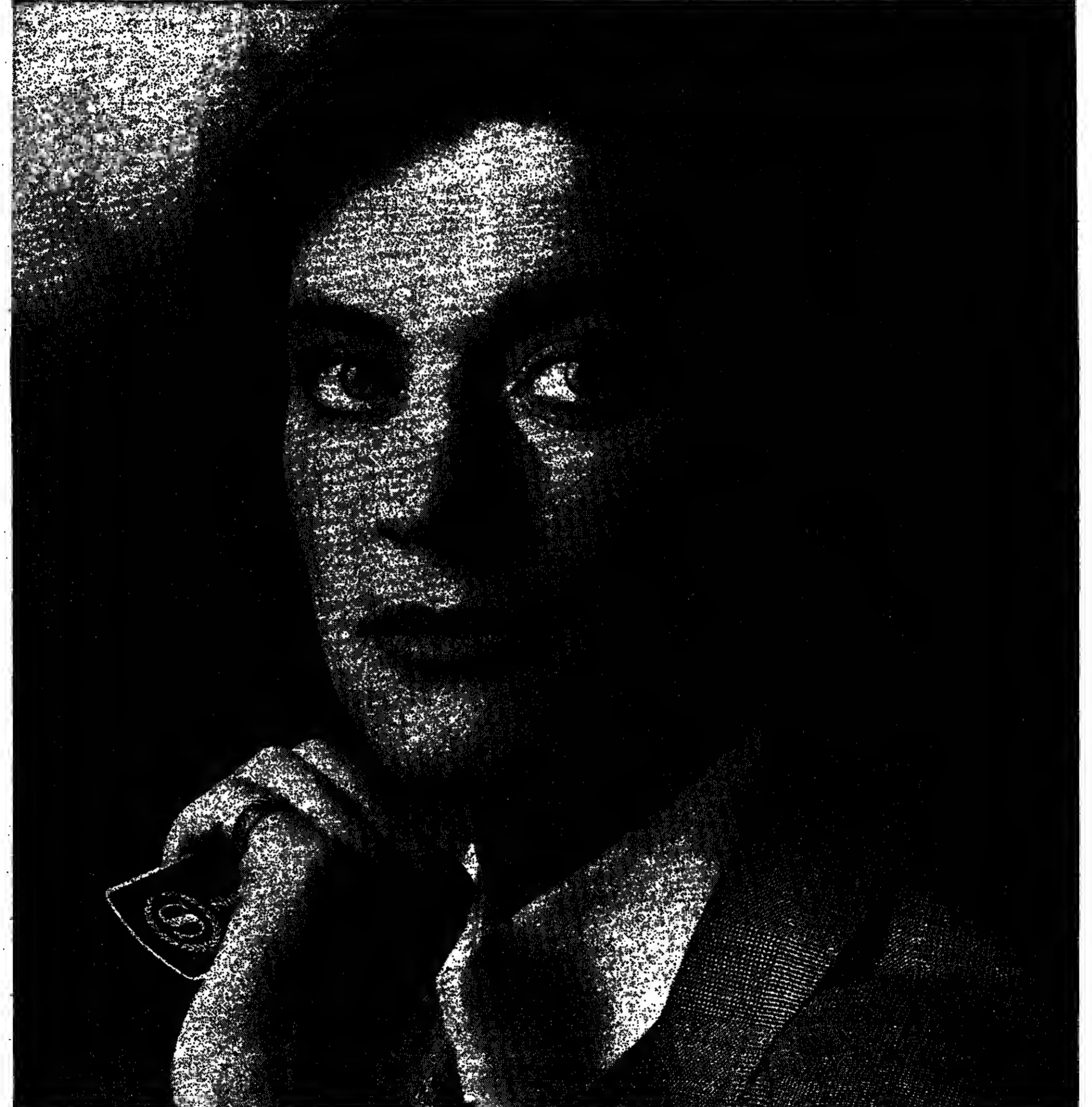
Seven militiamen were killed in a battle on Thursday with gunmen whom SLA commanders said were believed to be members of the Iranian-backed Hizbollah (party of God).

Mr Rabin was quoted as saying Israel would consider moving more soldiers into its self-declared "security zone" in south Lebanon if the SLA needed greater help, but for now the aid would be limited to more arms supplies.

Israeli officials acknowledge that several hundred Israeli soldiers are still in the buffer zone but say Israel has been trying to hand over their task increasingly to the SLA.

Israeli military sources said the SLA carried out a search for guerrilla bases in the Jezzine area north of the security zone after yesterday's clash, the most serious for several months.

The 2,000-strong SLA, commanded by Mr Antoine Lahd, a former Lebanese army officer, says it has lost 75 men in the 15 months since Israel withdrew most of its forces from Lebanon.



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# Hurd warns on the growth of pressure groups

BY PETER RIDDELL, POLITICAL EDITOR

MINISTERS and MPs need to shake themselves free from the embrace of pressure and interest groups, Mr Douglas Hurd, the Home Secretary, argued yesterday.

In the keynote address to the annual conference of the Royal Institute of Public Administration, in Durham, Mr Hurd repeatedly returned to the problem of the growth of pressure and interest groups, their increased dominance of the media and the deference with which politicians regard them.

"The weight of these groups, almost all of them pursuing a legitimate cause, has very substantially increased in recent years and adds greatly not just to the volume of work but to the difficulty of achieving decisions in the general interest. They are like serpents constantly emerging from the sea to strangle Laocoon and his sons in their coils."

Mr Hurd cited the increasing weight of these groups as one reason to be wary of freedom of information legislation leading to changes "which would in practice add still further to the pressures which these groups exert on policy-making, pressures which do not necessarily add up to the general good."

"If freedom of information simply means freedom for pressure groups to extract from the system only those pieces of information which buttress their own cause, then conceivably the result might be greater confusion and worse government."

# Lisa Wood assesses the retail meat trade's rationalisation in response to increasing costs and challenges

## Butchers fight to stay a cut above the supermarket

BRITAIN'S TRADITIONAL butchers are striving to get leaner and fitter. The recent £1.5m sale of 170 Matthews (Butchers) shops to Union International, the biggest chain with its 1,400 Dewhurst and Baxters outlets, is part of a rationalisation sweeping the industry.

	1980-81	1985-86
Main independent butchers	67	5
Other specialists	37.5	34
Large multiple retailers	26.5	32.4
Others (including freezer centres, market stalls, variety chains)	29.5	28.5

(Source: Meat Demand Trends, June 1986—AGS Market Research.)

Specialist butchers make up what is still the largest sector by turnover of the traditional specialist shops, which include greengrocers, fishmongers and bakers. But these have taken a battering over the last few years because of competition from supermarkets, increased rents in prime positions and static consumption of meat.

Fewer and fewer families sit down together for a Sunday roast and the traditional sausage, egg and bacon breakfast is all but extinct.

About 10,000 small outlets, often family-owned and run, have closed out of an estimated 25,000 outlets 10 years ago, while others have been taken over by the bigger chains. During the last 10 months, Union International, the unquoted holding company for many of the Vestey family interests, bought the 400 loss-making Baxters outlets from Brooke Bond, in addition to its recent purchase of Matthews (Butchers) shops from Thomas Borthwick, the international food, meat and trading group.

Mr Peter Cullimore, managing director of Dewhurst, said: "Together with Matthews we now form a national chain of shops with sufficient turnover and High Street coverage to

make overhead and distribution costs reasonable, and provide scope for profitable future growth."

Middle-sized chains of butchers have tended to fare worse than the large chains of small family-owned shops. Mr Cullimore said: "If you have 20 to 40 shops, you operate with managers and, in order to have volume sales, you have to be in prime positions such as the high street and shopping centres."

According to him, rents in such prime sites were escalating, with recent reviews increasing them by 400 per cent or more. "If you are selling jewellery or fashion clothes, you can get a fair mark-up and those sorts of rents can be paid. You cannot do it with a single commodity, with a net profit margin of 1.9 per cent."

Many big companies have sold medium-sized chains. Fitch Lovell, the food group, for example, sold its 104 West Gunner butchers shops in 1983 to Dewhurst so as, it said at the time, to concentrate on the businesses it was best at—specialist foods, frozen food distribution and food manufacturing. Borthwicks has a similar



David Lidgate: Looking for improved presentation.

strategy—to concentrate on its UK manufacturing.

One of the main challenges to the traditional butcher has come from supermarkets, starting in the late 1970s. Mr Martin Palmer, principal economist at the Meat and Livestock Commission, said: "After the price war that raged among the supermarkets in the mid-1970s on branded goods, they started to look at other lines, such as fresh fruit, vegetables and meat."

Since then, the strength of the supermarkets in selling meat has grown substantially, their market share being up from an estimated 26.5 per cent in 1980-81 to 32.4 per cent in 1985-86. During this time, total annual meat consumption has declined from 56.4 kg per head to 55 in 1985.

Supermarkets have been at the forefront of growth areas in food sales—such as chilled fresh foods, often containing meat, and white meats such as chicken on which more is being spent because of concern over red meats and healthy eating.

The modern car-borne shopper also prefers one-stop shopping at the weekend. But Mr Paul Corrigan, managing director of Corrigan Bros, a

chain of 11 shops in London, said: "The shopper tends to pick up her meat as she buys the rest of the groceries in the supermarket. But, if there was a butcher's shop next to every supermarket, the supermarket would not sell as much meat. Prices in supermarkets are higher and the butcher can offer service and advice."

The supermarket, however, packages the meat and provides an environment in which the modern shopper often feels more at ease than in a traditional butcher's shop. "The old idea of sawdust on the floor and whole animals banging from hooks does not impress the younger person," said Mr Peter Godfrey, managing director of Frank Godfrey, a small chain of north London butchers'

the trade were not impressed by the presentation of our products, compared with that on the continent. We talked to the Meat and Livestock Commission and visited an organisation in Holland which seeks to improve standards in its industry."

The idea behind the proposed Q-Guild is that members will discuss and swap new ideas for meat presentation. Membership will be controlled by inspection of an applicant's premises for standards of hygiene and skill.

This is not simply a matter of making meat look nicer but also catering for modern tastes and the demand for oven-ready dishes. "The housewife wants convenience food—be it part or all of a dish," said Mr Lidgate.

In his own shop, he already sells curries, stir-fries, sweet and sour dishes, all prepared on the premises.

The traditional family butcher had to realise he was now in the food business and embrace all the changes in eating habits—be it additive-free seasonings or prepared dishes—which were now being addressed by supermarkets, Mr Lidgate said.

"The top end of the traditional butchery market will survive because people will always entertain and the cost of the top cuts of meat is immaterial to the total value of entertaining. But, in the rest of the market, there has to be more and more innovation, or else traditional butchers risk a fate similar to the dinosaurs."

# Japanese 'very happy with Welsh productivity levels'

BY ROBIN REEVES, WELSH CORRESPONDENT

SIX OUT of the 10 Japanese manufacturing companies in Wales have productivity levels as good as, or better than, their plants in Japan, according to a survey by management consultants Arthur D. Little.

Expressing satisfaction with most aspects of their Welsh operating experience, the 10 Japanese companies which were all interviewed in the survey—commissioned by the Welsh Development Agency—also said they found the business environment conducive to expansion.

Industrial disputes at the Japanese plants in Wales, which has the highest concentration of Japanese industrial investment in Europe, were almost unknown—nine of the 10 companies have not lost a single day through industrial action since 1980.

Seven of the 10 recognise trade unions and six are single-union plants. One managing director commented: "From an initial anti-Japanese stance in 1979 the trade unions have given full and enthusiastic support to the company."

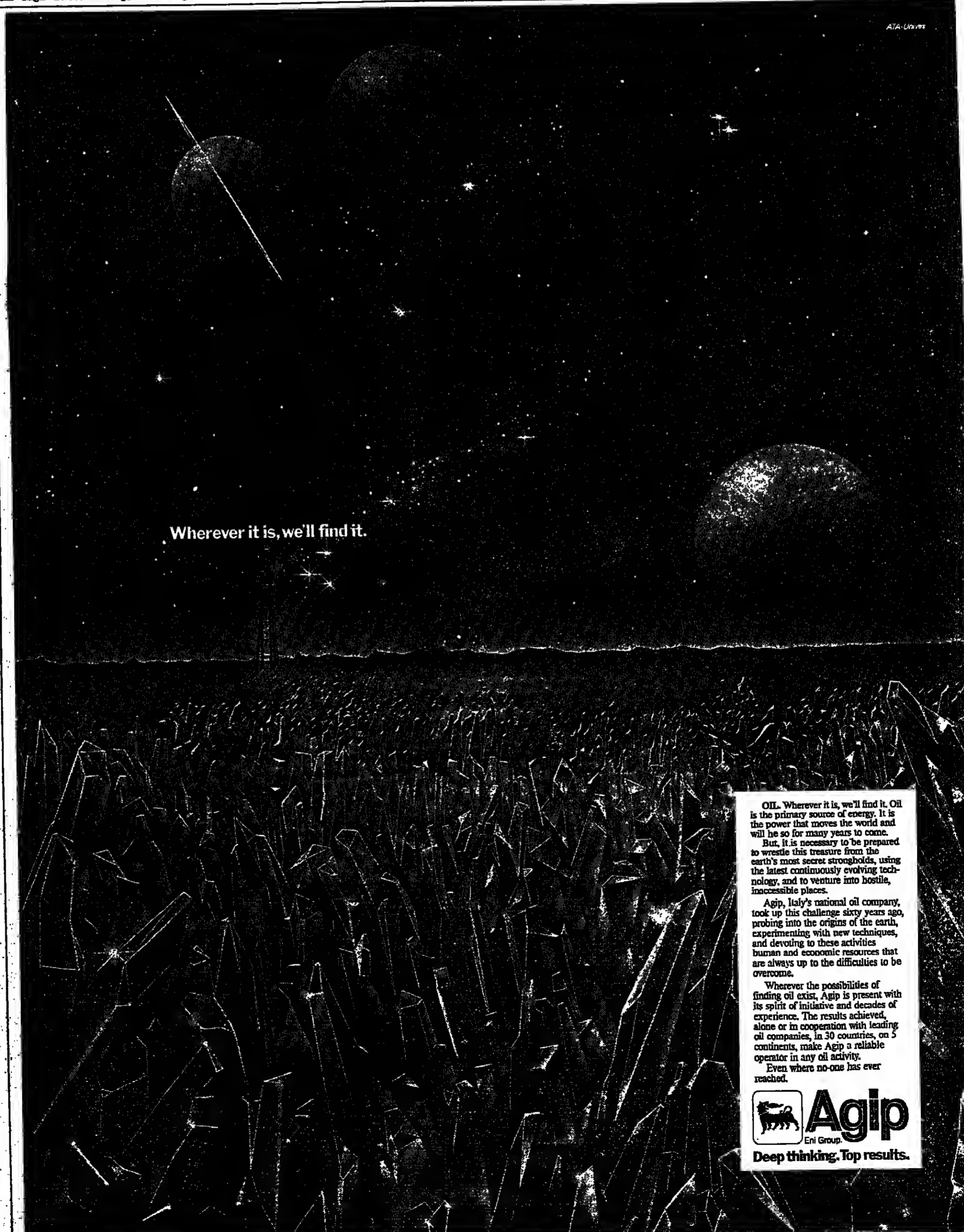
The 10 companies employ a total of 3,680 people, of whom about 100 are Japanese.

Since the survey, further two companies, Orion Electric and Kyushu Matsushita Electric, have decided to establish plants in Wales to manufacture, respectively, video recorders and electronic typewriters which should increase the number of direct employees at Japanese plants in Wales to more than 4,000.

Some companies mentioned difficulties in finding specific categories of skilled labour, especially in technical, managerial and supervisory positions, and difficulties in guaranteeing component supplies.

The report says: "The most widespread criticism of European suppliers was that they are 'unco-operative' and not in general, willing to enter into the close, long-term relationship that is such a common feature of business between a manufacturer and its suppliers in Japan."

It suggests that one reason for this reluctance is that suppliers are worried that Japanese companies may eventually displace them for Japanese component suppliers which have also decided to invest in UK manufacturing operations.



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Notice of Annual General Meeting  
Notice is hereby given that the Annual General Meeting of the shareholders of Fidelity World Fund, a société d'investissement à capital variable organized under the laws of the Grand Duchy of Luxembourg (the Fund), will be held at the principal and registered office of the Fund, 37, rue Notre-Dame, Luxembourg at 11:00 a.m. on September 30, 1986, specifically, but without limitation, for the following purposes:

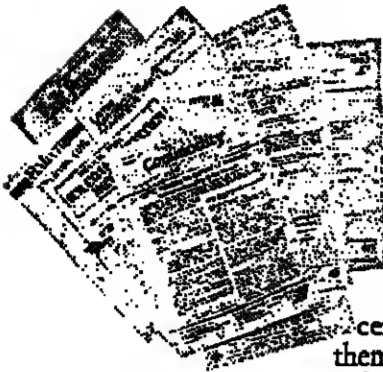
1. Presentation of the Report of the Board of Directors.
2. Presentation of the Report of the Statutory Auditor.
3. Approval of the balance sheet as of May 31, 1986, and income statement for the fiscal year ended May 31, 1986.
4. Discharge of Board of Directors and the Statutory Auditor.
5. Election of the co-opted of Mr. H.F. Van den Hoven as a director.
6. Election of eight (8) directors, specifically the re-election of all present directors, Messrs. Edward C. Johnson 3d, William L. Byrnes, Charles A. Fraser, Hisashi Kurokawa, John M.S. Fannon, Harry G.A. Soggegnato, H.F. Van den Hoven and Ferdinand.
7. Election of the statutory auditor, specifically, the re-election of the present statutory auditor, Maurice J. Segant.
8. Declaration of a cash dividend from net investment income for the year ended May 31, 1986 to the shareholders of record on September 30, 1986, payable October 20, 1986, and authorization of the Board of Directors to declare further dividend in respect of fiscal year 1986 if necessary to enable the Fund to qualify for distributor status under United Kingdom tax law.
9. Consideration of such other business as may properly come before the meeting.

Approval of the above items of the agenda will require the affirmative vote of a majority of the shares present or represented at the meeting, with no minimum number of shares required to be present at the meeting in order to establish a quorum. Subject to the limitations imposed by law and the Articles of Incorporation of the Fund, each share is entitled to one vote. A shareholder may act at any meeting by proxy.

Dated: August 30, 1986.

By order of the Board of Directors

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# Durham miners vote to join NUM overtime ban

BY DAVID BRINDLE, LABOUR CORRESPONDENT

MEMBERS OF the National Union of Mineworkers in the Durham coalfield have voted by a majority of more than two to one to join the ban on overtime coal production, begun seven weeks ago in South Wales.

The decision, following a vote earlier this week by Durham colliery mechanics in favour of fighting strikes, increases the pressure on British Coal in advance of the meeting next Tuesday between Sir Robert Haslam, its chairman, and the NUM's national executive committee.

The principal issue in dispute is Sir Robert's decision earlier this month not to backdate to last November a 5.9 per cent pay rise for NUM members, but to award it in full to the break-away Union of Democratic Mineworkers.

# Electricians forced to end visit to Norway

By Our Labour Staff

A DELEGATION from the electricians' union EETPU cut short a fraternal visit to Norway yesterday amid protests over the union's role in the News International dispute at Wapping, east London.

# Top posts at Sun Life

SUN LIFE ASSURANCE SOCIETY has appointed two additional vice chairmen: Lord Emswold, who joined the board as a non-executive director in November 1983; and Mr Richard Zamboni, who has been managing director of the society since 1979.

Geers Gross in London, Mr Paddy Murray remains chairman and is promoted to group chief executive.

# Engineers press for hours cut

BY HELEN HAGUE, LABOUR STAFF

UNION LEADERS representing 1m, engineering workers are pressing employers to say how much they are prepared to shorten the working week in exchange for radical changes in working practices.

When talks resume, the union representatives hope that the federation—which represents 3,000 companies—will put a firm figure on the cuts in working time it is prepared to countenance.

would reduce the number of unions holding full recognition and bargaining rights at plant level.

# TUC curb on AEU in inter-union row

BY OUR LABOUR CORRESPONDENT

THE TUC has instructed the Amalgamated Engineering Union to stop recruiting staff engineers employed by Dan-Air, the charter airline, at Manchester Airport.

engineers at Manchester after it won staff status for its former hourly-paid members employed by Dan-Air.

employment in the Manchester area without AEU membership.

# Mersey dockers to vote on deal

MERSEY dockers will vote next week on a two-year pay and productivity deal, worth 4 per cent more on basic pay in each year, a lump sum of £185 a head and increases in holiday and sick pay entitlements.

# ECONOMIC DIARY

TODAY: EEC Finance Ministers start two-day informal meeting, Gleneagles. TOMORROW: UN general assembly resumes regular sessions after Namibia hearing, York. MONDAY: CBI monthly trends enquiry for September. August cyclical indicators for the UK economy. Second quarter revised figures of manufacturers' and distributors' stocks. Liberal Assembly opens, Eastbourne (until September 26). EEC Employment Ministers start two-day informal meeting, Edinburgh. EEC Fisheries Council meets in Brussels, to discuss conservation. Sir Geoffrey Howe, Foreign Secretary, President Reagan, and President Aquino of the Philippines, address UN general assembly. International Atomic Energy Agency (IAEA) discusses nuclear accidents, Vienna. Month wealth Finance Ministers meeting opens, St Lucia (until September 29). US budget statement for August. TUESDAY: Sir Robert Haslam, British Coal chairman, meets NUM leaders, National Economic Development Council statement. WEDNESDAY: Balance of payments current account and overseas trade figures for August.

BASE LENDING RATES table with columns for bank names and interest rates. Includes entries for ABN Bank, Allied Arab Bank Ltd, ANZ Banking Group, etc.

'Old Soldiers Never Die...' advertisement for The Army Benevolent Fund. Includes text: 'but as they fade away they so often need our help' and 'Please give so we can give to them'.

Advertisement for Money Management. Features a large image of a woman's face and the headline 'God help all those who fail in her'. Text describes the fund's performance and offers a free brochure.

Advertisement for Cunard cruise ships. Features a world map and the headline 'AS USUAL, CUNARD OFFER YOU THE WORLD THIS WINTER.' Text describes luxury 5 star ships and offers a brochure.

# Politics and interest rates

THIS has been a bad week for the British Conservative party. Its social democratic opponents—potentially very dangerous opponents when Conservative support is half-hearted—have enjoyed one of those rare party conferences at which something is achieved. They started in a mood of uncertainty, and morale was low; they finished with a new unanimity and sense of purpose, and two potentially appealing electoral policies: a reform of tax and social security which could achieve both clarity and greater equality, and a strongly European defence posture.

Of course, appealing alternatives are of little account if the electors are happy with what they have got. The Conservative party managers will be a great deal more worried about the week's events in the financial markets than by rival party conferences.

A sharp fall in sterling makes a very poor text for a conference speech by a Conservative Chancellor, but to judge by the determined actions of the authorities to resist any rise in interest rates, it is clearly felt that the threat of dearer mortgages would be an even worse one. Yet the Governor of the Bank of England would almost certainly welcome a rise in mortgage rates. He issued a strong warning this week about the risks of excessive mortgage lending, both in generating inflation and in overloading consumers with debt.

## Consistent stance

It would be neat to conclude that those who hold down interest rates end covertly encourage the growth of debt must expect their currencies to be weak; but at this stage it would also be misleading. Such strictures would not be refuted by the Americans—but they are actively encouraging a devaluation of the dollar. Sterling is for the moment an accidental victim of what is essentially a dollar-D-Mark crisis.

The hopes which were still alive only a week or two ago that a real co-ordination of policies among the leading industrial nations might be achieved at the IMF meeting next week now look misplaced; both sides have reassessed their positions more firmly than ever. The trouble is that their objectives are totally different. The West Germans and Japanese remain content with the anti-inflationary stance they have adopted ever since 1981; but the US authorities are preoccupied above all with debt of all kinds.

The US Government is borrowing far too much, and the US economy as a whole is far too reliant on borrowing from overseas; but at the same time many American private borrowers are finding it difficult or impossible to meet their obligations, as are most of the Latin American countries which have borrowed so heavily from

the US in the past. Even existing interest rates, "achieved only by large supplies of official liquidity, are so burdensome to the problem debtors that major US banks are on the critical list."

The priority for Mr James Baker, the US Treasury Secretary, is to create an opportunity for as many as possible of the problem debtors to increase their international earnings, and so work their way back to solvency. He has been trying to persuade the surplus countries to help him by boosting demand; failing this, he will make all dollar-based economies more competitive through further devaluation. This is not a new threat, but when he repeated it in an interview this week, the markets look fright. Sterling was essentially the victim of a panic into the D-Mark.

British policy has evidently been aimed at avoiding taking sides either in the policy debate, or between the currency blocs. A firm alignment with the European Monetary System would even at this stage take a great deal of the pressure off sterling in circumstances like those of this week.

## Consumer borrowing

Indeed, if cost increases and credit growth were as firmly under control in the UK as the Government's medium-term strategy has always implied they should be, this alignment with Europe would be the natural next step. The fact that it would probably run into severe credibility problems is a judgment on the UK's domestic performance.

This is not a party-political judgment. The Chancellor is as outspoken about the danger of excessive rises in wage costs as the Governor is about the dangers of excessive debt. The result, however, is not just a problem for sterling, which may well remain weak even when the dollar has settled to some new level. It presents a whole set of dilemmas for the Government.

The difficulty for Mr Lawson is that he really requires to defend sterling if his message about costs is to get home; for during the long slide against the D-Mark, British employers have actually gained competitiveness in Europe despite their relaxed approach to the bargaining table. High interest rates would help both by attracting foreign investors and by discouraging consumer borrowing, which is currently financing a current account balance. A slide into deficit would not only further weaken sterling, but would rule out any meaningful tax cuts.

Yet firm policies could also leave sterling weak if they still further weaken popular support for the Government, since election factors will show increasingly in the market from now on. A Conservative Chancellor's lot is not always a happy one.

THE ATMOSPHERE was icy when the two sides started talking at the beginning of this year. The representatives of the international securities firms looked on the Stock Exchange as a stuffy, bureaucratic elch which had missed out on most of the major market opportunities of the previous decade.

The Stock Exchange, for its part, regarded the international firms as little better than a group of Gucci-shod cowboys, who were trying to edge its members out of their legitimate business. "I have looked at Eurobond secondary market dealings, and I do not like what I see," its chairman had said. Relations reached such a point at one stage that the Bank of England is believed to have told the two sides to cool it.

Yet within the next few weeks, members of the Stock Exchange will be asked to throw open their doors to well over 100 international firms. If they agree to the constitutional reforms announced this week, the exchange's ruling body will be changed out of all recognition, with the international firms gaining equal representation in the market's corridors of power. The old principle of unlimited liability will disappear, and control will pass from the hands of individual members to their firms.

If the reforms are not approved, the Stock Exchange will lose its arm-lock on the trading of UK securities and would risk becoming a backwater. Investors wishing to buy shares in ICI will have to look at two competing market places to find there they can get the best price.

In a bid to prevent this, one of the most conservative bastions of the British establishment is proposing reform of the most radical kind. The Stock Exchange, with some 200 years of history behind it, is planning a merger on equal terms with a body which did not exist at the beginning of last year. It is not even clear whether Sir Nicholas Goodison, the Stock Exchange chairman, will emerge at the top of the pecking order in the new institutions.

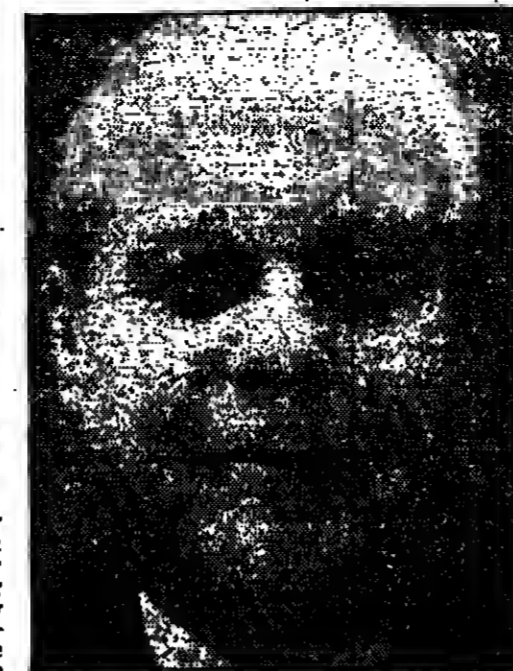
Three years ago, the idea that the Exchange could accept change on this scale would have been laughable. Yet the writing was already on the wall.

Starting in the early 1980s, the Eurobond market had developed a largely unregulated way to become much the biggest of London's securities markets. Capitalised at \$50bn in the mid-1970s, the figure has climbed to over \$500bn today. Trading turnover in the international market reached \$700bn last year, with some three quarters of the business reckoned to be channelled through London.

Almost all of this growth has passed by the Stock Exchange and its members. Ringed around with exchange controls, and comfortable in their near-monopoly of the domestic securities industry, they had no great incentive to push out into the rough waters of the Euro-market. And there were practical difficulties, too.

The euromarkets work on the basis of negotiated commissions, and make no distinction between the role of agent and principal. The Stock Exchange, by contrast, had a rigidly enforced scale of minimum commissions, and clear separation between broker and jobber—a structure which would have been difficult to defend if its members had been active in the euromarkets. Moreover,

# THE TREATY OF THROGMORTON STREET



• Ian Steers

Richard Lambert and Alexander Nicoll

look at the background to this week's historic agreement between the Stock Exchange and the international securities industry



• Sir Nicholas Goodison

## How the City kept its act together

none of them had much in the way of capital, which ruled them out as serious competitors for the big investment and commercial banks.

The removal of exchange controls and the agreement to abolish minimum commissions changed the whole nature of the game. To their great discomfort, brokers found that their clients were perfectly happy to trade BP shares in New York, if they could do so on better terms than in London. At the same time, the euromarket houses—especially the giants like Merrill Lynch of

## Reform of the most radical kind is proposed

US or Nomura Securities of Japan—increasingly were applying their huge muscle in their domestic stock markets to the international field. International firms have been investing vast amounts of capital in new equity trading desks in London to deal in the shares of the 500 or so companies which are viewed as truly international stocks.

The catalyst that turned these trends into radical reform was the Government's financial services legislation. By the middle of last year, it had become clear that nobody would be allowed to trade in London unless authorised by an officially blessed self-regulatory organisation—an SRO. That included the international firms, which until then had seen no reason to submit themselves to domestic regulation by Parliament.

Enter Mr Ian Steers, vice-chairman of the Canadian firm Wood Gundy, and the driving force behind the pressure group

formed by the international firms to deal with regulatory change in London. Despite his image as the head cowboy riding into town, he is an amiable pipe-smoking Englishman who numbers senior Stock Exchange members among his friends—ba even shares ownership of a racehorse with them.

But Isro, the organisation he leads, was not in a mood for compromise when it came into existence last year. Its power base was substantial, and has been built up to 187 member firms. Of these, 45 are American and 43 Japanese, including securities firms and banks each employing hundreds of people in London. Only 38 members are UK based.

One of the first questions to be tackled by Isro was about trade in international equities. Under the new legislation, which has still not come into law, all such dealings will have to come under the aegis of an organised exchange with price disclosure requirements. The alternative would be that each individual trade would have to be reported to the Securities and Investments Board, the new umbrella regulatory body.

It soon became clear that Isro meant business. "As we got into the Bill, it became apparent to the Stock Exchange that we were not just guys throwing bricks around, making trouble; that we had a vast array of talent to draw on," says Mr Steers. At an early stage, Isro tried to consider the idea of setting up its own investment exchange, covering different kinds of securities—including international equities.

The news sent a shiver running right up the Stock Exchange tower. Some 70 per cent

of its trade in equities is concentrated in the shares of around 60 companies, the so-called alpha stocks. These were just the securities that would find a market among international investors. If this business started to be creamed off from the Exchange, the economies of the market would be undermined.

Swallowing hard, and after a number of private dinners between Sir Nicholas, Mr Steers and their senior colleagues, the two sides started talking.

Right from the start, Isro insisted that it wanted strict conditions on any deal with the Stock Exchange. According to one participant, "There was a great fear that some bureaucrat in the Stock Exchange tower would start telling us how to do our business."

Accordingly, Isro wanted equal representation on the governing body of any new institution, an idea which at first the Exchange did not care for at all. It also wanted a great deal of power to be delegated to committees of practitioners in the new market. And it was determined that voting power should lie in the hands of member firms rather than in the 5,226 or so individual members of the Exchange.

The Stock Exchange seems to have had fewer demands, its overriding aim being to preserve and develop the central market place. One thing which was important to it, however, was the name of the new exchange. This week's announcement bore all the signs of committee draftsmanship: the Exchange will be named "The International Stock Exchange in the UK and in the Republic of Ireland", but will be known as "The Stock Exchange."

As the months passed, the discussions took on a friendlier tone. One reason was that the

old distinctions between domestic and international business were crumbling rapidly. No one ever came up with a satisfactory definition of what an international equity actually was, or for that matter was able to quantify the volume of trading in such issues. And an increasing number of international firms were gaining a presence on the Exchange anyway. Today 56 members of Isro are either on the Exchange in their own right or own member firms.

Thus one of the principals on the Stock Exchange side came

## Will members recognise the inevitable?

from Akroyd (prop. Mercury International). Sitting opposite him for a time was a man from Warburg Prop. Mercury International). Prominent on the Isro side was Mr Stanislav Yassukovich of Merrill Lynch, which is now a member of the Stock Exchange; yesterday, Wood Gundy itself announced it was joining up, too.

Under the deal which has now been struck, the initial council of the Exchange will be made up of 31 people, of which 13 will be appointed by the Exchange and 18 by Isro. The Chief Executive of the Stock Exchange will also sit on the council as a non-voting member. Representation on the governing body of the new regulatory organisation will also be equally divided. Isro appears to have gained most of its negotiating points: from the Stock Exchange's point of view, the essential point is that all equities will be traded on one exchange.

Sir Nicholas Goodison is quick to dismiss any suggestion that he is giving away the family silver. "The important point to stress is the continuity of a central securities market," he says. "We've made it clear all along that there is an open door policy to membership."

Existing members will have to approve the proposals by a majority of 75 per cent, in a vote which is likely to take place in early November, just a few days after "Big Bang." In the summer of last year, the Exchange just failed to carry proposals which would have shifted control from individuals to firms, and established a market in the shares of the Exchange itself, which could have been freely traded among members.

That vote roused a great deal of steam among small firms, which felt they were being done down by the big battalions. But it was taken well before the threat from Isro became apparent. As Sir Nicholas was quick to point out this week, it would not only be the Exchange, trade in blue chip securities that would suffer if the market was split apart.

"The marketability of securities in the Stock Exchange would be bound to suffer if market-making firms switched part of their risk capital to another exchange," he commented.

Indeed it could be argued that small firms need a central market even more than their big competitors. To do a proper job for their clients, they would need a presence on both markets—and the costs would be disproportionately heavy for the one man band. Looking at the positive arguments, the optimists argue that the position of the London capital market will be substantially improved if everyone comes together. "All the world's players are here," one argues. "We could take business away from New York."

Will members recognise the inevitable? One very delicate question concerns the Stock Exchange's assets. Proprietors would argue that the position, mostly represented by the tower and its equipment. There is no question of the new entrants being prepared to pay full entry fees. So there is a view that existing members should be recompensed in some way for the dilution of their interests.

This will be a subject of much agonising in the next few weeks and could indeed prove a stumbling block. The Exchange needs all its funds for a heavy development programme, and any form of distribution would bring serious tax problems.

If last summer's row is any precedent, these proposals could prove difficult to push through. The smaller firms have been leading a comfortable life and will need a lot of persuading that the proposed changes have not been designed solely with the giants in mind.

So far, there is no indication of how members will respond. But there is very little time for debate, and members are going to have their work cut out in the next few weeks anyway, what with all their clients clamouring for shares in TSB 27, when minimum commissions are abolished.

Sir Nicholas makes no bones about how much the vote matters. "It is the culmination of everything that has happened in the past few years," he says. "In ten years time, historians will identify it as the most important decision of all."

THERE ARE some pledges which politicians know they will never be allowed to forget. When Mr Jacques Chirac, the French Prime Minister, declared on Thursday night on French television that the terrorists "will not escape," he knew that he was putting his reputation on the line.

If Mr Chirac can halt the terrorist movement before the French consensus buckles under the strains of exploding bombs, he will emerge a much taller man. But if his administration looks muddled and powerless—as it did at times last week—in the face of a hidden end wall-organised enemy, then his Presidential ambitions will take a tumble.

For much of the past fortnight, Mr Chirac has appeared to be engaged in a duel with the terrorists. They challenged his pre-election promise to diminish terrorism and reinforce security by bombing the Paris town hall where Mr Chirac is mayor. He replied by declaring "war" on terrorism and promising new tougher measures against it. A few days later a bomb went off at Paris police headquarters.

Mr Chirac has been quick off the mark in reacting with the terrorists have struck. He has been seen and heard on radio and television. He has left in no doubt, in presiding over the inner cabinet's security meetings, that the decisions on policy have been his—not least at a time when President Mitterrand has been away on a state visit to Indonesia. His stature has grown accordingly.

Before he took office in March, Mr Chirac still carried the reputation of being unpredictable, nervous in a crisis, and prone to act on the latest advice offered to him. Since being Prime Minister, he has shown himself much more sure-footed, astute in his choice of ministers, ready to delegate authority and able to side step the traps that President Mitterrand has laid.

On television on Thursday, he succeeded in putting across that mixture of assurance, determination and cool-headedness that he was seeking. It was difficult to believe that it was the same

## Man in the News

Jacques Chirac

# A risky pitch for the centre of the stage

By David Housego



man who only weeks ago was arguing inside the cabinet for the negotiated release of Georges Ibrahim Abdallah, the suspected leader of the Lebanese Armed Revolutionary Faction, and that in the summer he received a member of the Lebanese Hezbollah, Party of God, the extreme Shiite faction, to discuss the fate of 15 French hostages in Beirut.

But Mr Chirac has by no means shed all his "gun-bo" habits.

On Sunday, he said on radio that the "day we catch a

terrorist red-handed, he will talk," stirring memories of some of the less subtle techniques French troops used in Algeria—and forgetting that Georges Abdallah has so far notably succeeded in not "talking." Mr Chirac added: "those who are behind the terrorists will be the subject of draconian reprisals... what they will pay a very high price."

In practice, one of the most difficult decisions that Mr Chirac could face in the coming weeks is whether to retaliate

with strikes against Arab states believed to be providing support or whether to try and eliminate terrorists, as has been suggested, by non-judicial means.

In this tussle, the Government's advantage is that Middle-East-based terrorists—small in number—will have difficulty passing unnoticed in a predominantly hostile French environment. They can only count on limited support from France's new increasingly nervous Arab community. The terrorists' advantage, on the

other hand, is that they can fade away beyond France's borders. How successfully Mr Chirac handles the terrorist issue will clearly be decisive in the remaining 20 months of "co-habitation" as well as for Mr Chirac's presidential ambitions.

The pressures to maintain national unity in London to the President Mitterrand could not afford to be seen to be out of tune with Mr Chirac.

In the days to come it will be difficult for Mr Mitterrand to sound a note of discord over issues like the new electoral law and the redrawing of Parliamentary constituency boundaries where he is in open disagreement with Mr Chirac's proposals. Mr Chirac intends to present the President with the decrees redefining the Parliamentary constituencies at next Wednesday's cabinet meeting—gambling that President Mitterrand will not want to appear to threaten the national unity by provoking a conflict over these issues at a time of crisis.

All of this represents something of a high-risk strategy for Mr Chirac. Although much in the public eye in the last fortnight, he has chosen not to state clearly whether he thinks (as the police do) that the bombing wave is the work of a small terrorist group or (as his own aides have hinted) a more systematic attack on the French state by a constellation of such groups backed by a number of Middle East nations.

It is almost as if he is prepared to deepen an already cavernous sense of national drama, believing in his own destiny as the man who will be seen to steer the country to safer shores.

In the public opinion polls, Mr Chirac lags behind both Mr Mitterrand and Mr Raymond Barre—the latter his most likely rival on the right as a presidential candidate.

Among voters of the centre, Mr Chirac remains suspect. In that sense, although it may be ugly to say so, Mr Chirac stands to gain politically if he can project himself in the crisis as a man of consensus.

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Handwritten signature: David Housego



# The poaching of the Greens' policies

NEW LOCALS realise it, but the Green Party is in Newcastle this weekend for its annual conference. There are no banners or placards, and no picketing. That would be visual pollution.

It is an instructive contrast to the razzamatazz and frenzy of Blackpool and Brighton in conference week. The Greens in most ways are like no other party, except in this: they demand to be taken seriously.

Concern over conservation of the environment, once the preserve of an eccentric middle-class minority, has reached centre stage. For the political parties the stakes are high, and from the experience in West Germany and elsewhere in Europe, Britain's politicians increasingly acknowledge that they ignore "green" issues at their peril.

The change of attitudes has apparently posed few problems for the Conservative and Labour Parties or for the Alliance. They have simply, and sometimes blatantly, altered their policies to suit the

new mood. The race is on for the green vote.

But it is less easy for the Green Party. Greens have seen many of their policies pinched and they are uncertain how to react. "It is extremely gratifying... it means we have more leverage. There are genuine policy shifts going on in other parties which can only be to our advantage," says Jonathon Porritt, now a rank-and-file party member but for three years co-chairman.

"Our policies are being taken in a very exploitative and vote-catching way. It is all a bit of a sham," says Steve Rooney, London area representative on the party council.

The Greens insist that their policies must be assessed as a whole. Since its days as the Ecology Party, there has been a full programme of policies that would entail fundamental changes in the economic, social and defence spheres; all changes designed to preserve the world's ecology. "We look at the roots of all our problems," says Ljudy Williams, one of the three current co-chairs.

The question is how to get this radical message across now that some of the more accessible and attractive clothes have been stolen.

It is easy enough to poke gentle fun at the party. There remains a flavour of the 1960s: flower-power, sandals and beads. "There is a crèche in the basement and a meditation room on the first floor. Meals will be vegetarian and meat substitute," came an early announcement at the opening session yesterday.

A city sun is regarded with benign curiosity. "Oh, you are from the FT, I've put in for some TSE shares. How do you think they will go?"

It is less easy to summarise what the party stands for. It attracts people whose prime interests range from civil rights and a total nuclear ban to animal welfare and organic agriculture. In essence the main headings

are a commitment to non-violence, the banning of all nuclear energy, a return to self-sufficiency, both individually and internationally, the introduction of a basic income for all, non-exploitation of the Third World and, above all, conservation of the earth's resources.

Morale is high and the party will enter the next general election campaign much better prepared than ever before.

Only two candidates were elected, but the vote if repeated in a parliamentary election would be enough to avoid losing many deposits. In West Germany's system of proportional representation it would mean about a dozen members in the Bundestag.

The party intends to field around 150 candidates in the next general election, but this will depend on finances. An election fund of £30,000 is the target. But the party could face substantial losses with the deposit increased to £500.

The measure cash reserves—the accounts show a turnover of only £20,000 centrally—all come

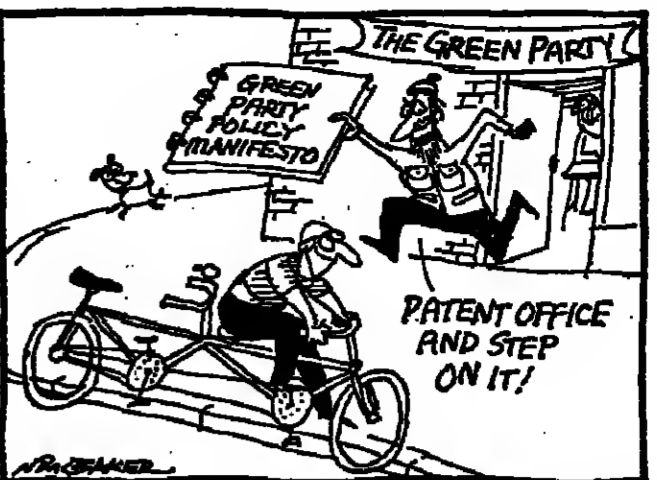
from membership fees, donations and local fund raising.

One of the issues under discussion this weekend is the party structure, which is deliberately loose, with as much influence as possible kept at grass roots level.

There are 260 local parties, run autonomously but organised loosely into 14 areas. Each area sends a representative to party council, the organising body—policy is decided by conference.

In addition there are eight nationally elected representatives on the council, four elected at conference, and four by postal ballot of all the membership. The council elects three co-chairs each year to act as co-ordinators, rather than leaders.

When Jonathon Porritt chaired the party for three years before becoming director of Friends of the Earth he was a recognised face representing the party and articulating its policies. The current co-chairs, Ljudy Williams and Ann Darnborough, have not established such a



high public profile and this could become a problem as the general election approaches.

Party strategists are well aware of the dangers that loom. The other parties, having trimmed and tailored their own policies, will dismiss the Greens as being irrelevant. There will also be a significant tactical voting by potential Green supporters in a General Election, something which always squeezes small parties.

If Green issues play a large role in the election, then Labour and Alliance parties will

have to convince voters that their substantial programmes are not just vote-catching rhetoric, and the Conservatives will have to explain why they have jumped on the bandwagon so late.

The Greens, who regard themselves as an eventual party of government although they have put no timetable on the aim, will have the hardest task of all. They will have to persuade millions to abandon what to the majority is a very comfortable lifestyle. It is going to be a long haul.

By Richard Evans

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It is less easy to summarise what the party stands for. It attracts people whose prime interests range from civil rights and a total nuclear ban to animal welfare and organic agriculture. In essence the main headings

despite chronic cash problems. Membership is nearly 6,000—16 per cent up on a year ago but party members say this trend predated the Chernobyl disaster.

Party headquarters, based between a Chinese restaurant and a unisex hair salon in dingy offices near Kennington Oval, have charted a steady increase since the formation of the Ecology Party in 1973—the name was changed a year ago to bring the Greens more into line with the continental parties. The party had only 53 parlia-

mentary candidates in 1979, but this rose to 109 in 1983. It was an expensive propaganda exercise as all lost their £150 deposits, taking an average of 1 per cent of the popular vote.

Support increased in the 1984 Euro-elections, but a much bigger boost came in the local elections in England and Wales in May of this year when 500 candidates, twice as many as ever before, managed an average poll of 6.4 per cent.

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## Food from Britain: a harvest of in-fighting

OVER THE past few months, a most peculiar hunt has been going on — according to much private ministerial arm-twisting — among the great and the good of Britain's farming and food industries.

The aim: to find a new chairman for Food from Britain, the beleaguered marketing quango. One is urgently required because a new governing council is supposed to take office on Monday with the aim of giving the organisation a new look. Mr Nicholas Saphir, chairman since the organisation was founded in 1983, let it be known over six months ago that he wanted to leave. But prestigious as the job of marketing leader for the food and farming industries might sound, no one, so far, has felt able to take it on.

One early candidate, Sir Richard Butler, ex-president of the National Farmers' Union, had to bow out when he came under fire for taking on a lucrative job with the Italian food group Ferruzzi. Another, Mr David Nash, deputy president of the NFU, was vetoed by his fellow-farmers because they said he could not combine the two jobs. Sir John Harvey-Jones of Imperial Chemical Industries said he was too busy. So Mr Saphir will probably

have to stay for another few months — struggling to combine his efforts to keep the organisation together with his duties as chairman and chief executive of Hunter-Sapir, a small fresh produce distribution company.

Food from Britain was launched in 1983 with much hullabaloo and £14m of Government money by Mr Peter Walker, then Minister of Agriculture, in 1983. Conceived against a background of expanding British food production, growing farm surpluses and shrinking conventional sales outlets, it was supposed to perk up farmers' attitudes to marketing and galvanise food processors into boosting sales of British produce at home and abroad.

In short, the idea was to encourage fruitful collaboration in the industry — much along the lines of successful centralised food marketing bodies on the Continent like France's Sopexa and West Germany's CMA. Both have budgets many times the size of FFB's; both are making increasing inroads into the speciality foods into the British market.

Instead, Food from Britain has turned out to be a recipe for in-fighting of a quite extraordinary variety between

farmers, food-makers, the Government and bodies like the Milk Marketing Board and the Meat and Livestock Commission.

Few of these conflicts have been resolved, and the organisation is left with a depleted budget (despite containing Government financial support), a reduced staff of just 20 in the marketing division, an incomplete sense of purpose and an unremitting, and often unfair, hail of bad publicity. Yet an awful lot of people — from the Prime Minister

through the present Agriculture Minister, Mr Michael Jopling, to the chairman of Allied-Lipson, Sir Derrick Holden-Brown — have staked an awful lot of their personal prestige on the project.

Both Mr Jopling — despite initial reservations — and Sir Derrick have been urging farmers and food manufacturers to dig into their own pockets to support the scheme this year as Government funding begins to wind down, but with only limited success. What has gone wrong?

Part of the trouble, in the

view of the most people involved, stems from the way that Food from Britain was launched. "When it started, it was flashy and superficial," says Mr Brian Law, who was brought in as chief executive from the Mars confectionery company in 1984. "The Ministry of Agriculture tends to clutch at straws, and ministers are always looking for a gimmick. It was a flashy exit for him (Mr Walker) and a lifeline for his officials."

"It was imposed (on the industry), and it wasn't thought through. The people who would have to fund the activities were never really consulted about or committed to them."

Neither the Ministry of Agriculture nor Mr Saphir, who has been involved with the organisation since it was little more than a twinkle in the eye of Mr Walker's marketing officials, agrees. "The high profile of the start may have led to disappointment," he concedes. "But it was necessary in order to get the thing off the ground." He maintains that Food from Britain's remit was deliberately vague because of its status as a

Government-funded experiment. "When they heard about it, people said: 'That's a good idea, but how's it going to be funded?'" he recalls. At that point the in-fighting started. A lot of people were not going to put money into the project until it had proved itself. So the reality is that you couldn't thrash out the details in advance."

It is also an inescapable fact, though, that Food from Britain has had distinctly mixed results in its marketing activities. It has scored some promotional successes in its four targeted export markets, France, Benelux, West Germany and the US; Mr Saphir says UK exports to those markets were up 8 per cent last year while sales in other areas performed a lot less impressively. It has also been popular with small and medium-sized manufacturers — particularly those concerned with speciality foods.

But at home, where 50 per cent of its resources were to be spent from the outset, the organisation has made much less of an impact. Its chosen vehicle for promoting British food — using a sort of brand label known as the Quality Mark — ran foul of three large retail multiples, which felt it



Nicholas Saphir, a long goodbye as Food from Britain's chairman.

## Come back, inflation

From the Chairman, P. and W. Maclellan.

Sir, — I have three business interests: industrial supplies, property trading, and agriculture. The development of all three is being curtailed by the continuing real interest rate situation.

In industrial supply, we are destocking as fast as we are able and purchasing hand to mouth, plus emptying warehouses to save rents and rates. This has a knock-on effect on our suppliers, generally contributing to unemployment and giving our world-wide customers substantially longer delivery dates. Because we also are able to make job savings our remaining few staff can have fully justifiable increases in excess of inflation.

With the erosion of potential factors in our property can afford to take their time before purchasing as, in real terms, all properties are losing capital value. This has meant our curtailing investment and re-orientation thereby further contributing to unemployment of the nation's resources. Frankly, our tenants will have to suffer the fact that improvements will not be made as we are not spending banks' cash for a negative return.

With the end of capital allowances, essentials only are the order of the day in agricultural — all cash generated is turned to pay off interest charges. Despite prognostications, as a general rule, farmers will not go bankrupt but the few hundred thousand people employed in supply to agriculture would be well advised to think of another occupation. Government orders for the industries that I am connected with appear to be:

- Don't invest in anything in the UK.
- Make a continuing contribution to unemployment.
- Come back, inflation: all is forgiven.

Chris Howard, Neton Rise, Lincoln.

## Letters to the Editor

Annual general meetings

From Mr A. D. Neate

Sir, — I wish to draw your attention to the manner in which the AGM of British Telecom was conducted.

What upset many shareholders was the chairman's desire to limit the time for questions. The meeting ended half an hour earlier than last year.

It is not good enough to say that questions unable to be raised at the AGM will be answered by correspondence. There are many aspects — for example the question of the relationship with Mercury — which are of important interest to shareholders and need airing at the AGM.

The chairman's handling of so-called points of order revealed his inexperience and his use of the gavel made one wonder if some questions were too hot to handle.

The meeting was held at the National Exhibition Centre at Birmingham and many shareholders travelled considerable distances to attend, incurring overnight hotel expenses.

So what should be the norm for the length of time for an AGM?

A. D. Neate, 54 Links Lane, Rowlands Castle, Hants.

## Less wine in the bottle

From Mrs J. Hoag

Sir, — Red wine, eg claret, Burgundy, Cote du Rhone etc — has been marketed for a long time in 0.75 litre bottles, while hock and other German wines' traditional bottle contains 0.70 litres.

Recently, the British wine trade has introduced quietly — even slyly — the sale of red wine in 0.70 bottles. These bottles which on the shelf look deceptively like the traditional 0.75 bottles are mixed in the stores with French or Spanish wine in 0.75 bottles. It is true that the label indicates — often in very small print — the 0.70 content but the normally ultra-communicative wine shippers and merchants have been discreet about this shrinkage. Many price lists do not even specify the size of the bottle. Price comparisons in a wine store require binoculars to read the labels on the higher shelves, and a pocket calculator to determine the difference.

The European Commission (in order to bring about standardisation so as to avoid "harmful consequences" arising from different contents) has ruled that 0.68 and 0.70 bottles are no longer permitted for wine "from fresh grapes" and must be completely harmonised by January 1 1988. Why then have British wine merchants switched to the 0.70 bottles? Obviously not in the interest of the customer. (The French, of course, have kept the 0.75 bottle — except when bottling for the British market.)

Would it not be sensible and fair to the consumer in our country, to go back to the classic red wine bottle before the EEC Directive compels the wine trade to do so?

Inga Haag, 1 Upper Wimpole St, W1.

## No dominance in the art market

From the chairman, Society of London Art Dealers

Sir, — In his Weekend FT report on the major London salerooms (September 13) Antony Thornicroft says: "At the moment, there is a dominance in the art market by the salerooms." In fact, there is a fairly equal balance between the share of the market held by the auctioneers and by the dealers.

A recent survey has shown that the turnover of the members of the Society of London Art Dealers, which includes some 65 of London's leading dealers in paintings, exceeds the London turnover of the two major auction houses, Christie's and Sotheby's. It is not just a good art-dealers service which attracts clients worldwide to the galleries of London art dealers.

Julian Agnew, 48, Old Bond St, W1.

## Kilburn raid blamed on European court

From the Director, College of Journalism

Sir, — Though I am generally a supporter of the Common Market, I think one should object to the role played by the European Court of Human Rights.

This court interferes in Britain's affairs in a way that is at best redundant and at worst causing actual harm. A story in the press recently is perhaps an extreme example. Under the heading "Soborbov, braved killer in knife raid" it traced a raid on a Woolworth store in Kilburn, London, in which a man threatened to kill two women and held a boy assistant at knifepoint.

Then comes the really interesting bit. The raid was a former inmate of Broadmoor who had been released against the advice of his British doctors who still considered him dangerous. But they had been overruled following a decision by the European Court of Human Rights.

Why should membership of

## Tax subsidy on company cars

From Mr D. R. Bishop

Sir, — Malcolm Gammie's article on the true benefit of a company car to a private user (Finance and the Family, September 18) is extraordinarily supercilious and ingenious. He concerns himself only with the net effects of car and petrol scale charges. These are piffing when compared with the full true costs of buying and running a car at private expense. He omits to consider capital outlay and interest charges, amortisation, maintenance and repairs, insurance, road tax, motoring organisation membership, and ferry costs.

Private use of a company car is always a great benefit to those who have it. The scale charges do little to reduce this tax subsidy which is, of course, paid for by others, not last by those who buy and run their own cars.

D. R. Bishop, The Ropewalk, Houston Road, Little Shelford, Cambridgeshire.

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Anglia	5.25	7.25
Barnaby	5.25	7.25
Birmingham Midshires	5.25	—
Bristol and Glos	5.25	6.25
Bradford and West	5.25	6.25
Britannic	5.25	6.25
Cardiff	6.25	6.25
Catholic	5.50	6.25
Century (Edinburgh)	6.25	—
Clebec	5.25	6.25
Chesham and Gloucester	5.25	6.25
Chester	5.25	6.75
City of London (The)	5.50	6.05
Coventry	5.25	6.50
Dartford	5.25	—
Frome Salway	5.25	8.25
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Thrift	7.00	—
Town and Country	5.25	—
Waver	7.35	—
Woolwich	5.25	—
Yorkshire	5.25	6.25

## Fast trains across the Channel

From the Director, Channel Tunnel, British Rail

Sir, — I refer to Mr Ashton's letter (September 13) regarding the speed of high speed passenger trains through the Channel Tunnel. It will be helpful to put regarding Oflet's handling of British Telecom's relations with Mercury — which are of important interest to shareholders and need airing at the AGM.

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## BBC plans for local radio

From the Managing Director, BBC Radio

Sir, — Mr Norman Bilton, of Radio Wyvern (September 18), made selective quotations from my remarks about BBC Radio and its aspirations. What I said at the Radio Academy in Glasgow was that once the BBC local radio chain was complete, I foresaw little likelihood of further BBC radio expansion. Instead I anticipated that further choice would be provided by stations that were either community or commercially led, and indeed I welcomed such developments.

The completion of the BBC local radio chain is both a well-planned and a well-signalled development, designed to en-

## Guinness price rise mismanaged

From the resident director, Raxhorses Hotel, Kettlewell

Sir, — Under the headline "No-one is irreplaceable" (September 8) your editorial speaks of Mr Ernest Saunders and his team at Guinness as being highly regarded as managers.

In our mail the same day we were notified of a 12 per cent price increase for half-pints of bottled Guinness, effective from October 1.

This curious conjunction seems to suggest that those gentlemen may not even be competent managers. We shall run off our stock of bottled Guinness and not re-order. And we might behave similarly with other Guinness stock.

J. Rowbottom, Shelton, Yorks.

## Why should membership of

the Common Market allow a supra-national court to set killers free to roam our high streets? Are our doctors so incompetent that they need a watchdog drawn from a dozen different countries, and whose members possibly have little understanding or sympathy for British ways?

I do not think we need a European Court of Human Rights in present-day Europe. Its existence probably owes more to idealistic zeal by politicians and bureaucrats than any real need for such an institution.

J. B. S. Birch, 62 Fleet Street, EC4.

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J. B. S. Birch, 62 Fleet Street, EC4.



Berlin baker buys Neue Heimat

By Peter Bruce in Bonn DGB West Germany's main trade union umbrella body, said yesterday it had agreed to sell the bulk of its debt and its scandal-ridden property company, Neue Heimat, the biggest home owner in Western Europe, to a little-known Berlin baker.

BHP tumbles 40% in first quarter

BY ROBERT KENNEDY IN SYDNEY LOW OIL prices and consequent reduced production have eaten deeply into the first quarter profits of BHP, the resource and industrial group which is Australia's largest corporate entity.

For the quarter, the result was held back by lower shipments. Exports fell by 107,000 tonnes and domestic demand tumbled off by 76,000 tonnes. The weakness of the Australian dollar has pushed up BHP borrowings significantly with US dollar debt jumping by around \$900m in the period.

Ralston in talks with Anderson Clayton

BY WILLIAM HALL IN NEW YORK RALSTON PURINA, the world's largest petfood producer, has entered the battle for Anderson Clayton, the Houston food processor, and yesterday said that it was negotiating to buy the company for \$750m.

anti-takeover measures. In particular, Anderson wanted to require a 80 per cent approval by shareholders of any plan to acquire control of the company.

Unilever seeks rest of Naarden

BY LAURA RAUN IN AMSTERDAM UNILEVER, the Anglo-Dutch food and detergent conglomerate, said yesterday it would go ahead with its public offer of 100 shares for the outstanding 51 per cent of Naarden, the Dutch flavours and fragrances company.

Unilever seeks rest of Naarden

prevailing just before the announcement. Naarden is to be combined with Unilever's existing flavours and fragrances company, PPF International, providing greater resources for the costly research and development that is increasingly necessary to keep competitive.

SANDOZ, the Swiss chemical concern, is to strengthen its position in the building-chemicals industry through the acquisition of Meynadier Holding.

Austrian bank expects state to cut stake

BY PATRICK BLUM IN VIENNA OESTERREICHISCHE Laenderbank, Austria's third largest bank, said yesterday that it expected the government to reduce its stake in the bank to 51 per cent.

The bank favoured the state retaining its majority shareholding. The state's shareholding (the state's majority) going under 51 per cent. It is an asset to have the Government of Austria as majority shareholder," Mr Cordt said.

Skandia stages dramatic recovery at eight months

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM SKANDIA, the leading Swedish insurance group, has staged a dramatic recovery in the first eight months of the year with an operating profit of SKr 518m (\$76m) compared with a loss of SKr 190m in the corresponding period of 1979.

LONDON TRADED OPTIONS table with columns for Calls and Puts, including symbols like Aged Option, B.P., and various dates and prices.

US chip makers sales fall

BY LOUISE KEHOE IN SAN FRANCISCO NATIONAL Semiconductor, one of the largest US chip makers, is to close its plants for 14 days before the end of the year, because of continuing deterioration in semiconductor sales.

Adelaide Steamship soars

ADELAIDE Steamship Company, the Australian investment company, boosted net profit by 65 per cent to \$117m (US\$73m) to the year to June 30. The result was attributed to the control of operating costs and improved margins.

FOREIGN EXCHANGES Dollar steady but nervous

SHORT COVERING ahead of the weekend left the dollar with mixed changes after Thursday's sharp fall. Positions were covered in an attempt to minimize exposure to any possible action by the Bundesbank if it tried to support the US unit.

Against the backdrop of DM 2.04 from DM 2.03 hit fall against the yen in Y24.75 from Y22.6. It was higher against the dollar at \$1.4725 from \$1.4725 and SFr 2.37 compared with SFr 2.37. Against the French franc it finished at FFf 9.68 from FFf 9.6025.

STERLING INDEX table with columns for Date, Spread, and Previous values for various currencies.

POUND SPOT-FORWARD AGAINST POUND table with columns for Date, Spread, and Forward values.

CURRENCY RATES table with columns for Date, Bank, and Rate values for various currencies.

DOLLAR SPOT-FORWARD AGAINST DOLLAR table with columns for Date, Spread, and Forward values.

CURRENCY MOVEMENTS table with columns for Date, Bank, and Change values.

EXCHANGE CROSS RATES table with columns for Date, Currency, and Rate values.

OTHER CURRENCIES table with columns for Date, Currency, and Rate values.

EURO-CURRENCY INTEREST RATES table with columns for Date, Term, and Rate values.

MONEY MARKETS UK rates continue to rise

INTEREST RATES were firmer in London yesterday, reflecting concern about sterling's weakness. The Bank of England took out most of the day's shortages through an early round of help with help to keep short-term rates in single figures.

9.6257 per cent last week. The £100m of bills on offer attracted bids of around £405m and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

FT LONDON INTERBANK FIXING

Table showing interbank fixing rates for various currencies and terms.

MONEY RATES

Table showing money rates for various currencies and terms.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.



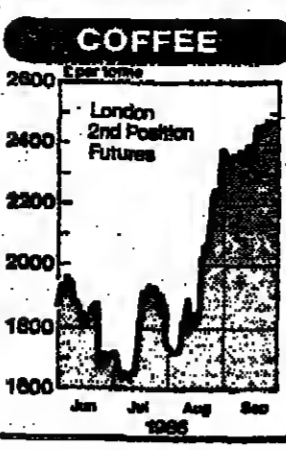
COMMODITIES AND AGRICULTURE

REVIEW OF THE WEEK

New lease of life for the gold market

THE GOLD market obtained a new lease of life yesterday, once again asserting its independence from the platinum price, which dragged it out of the doldrums in the first place several weeks ago. For most of the week, gold was locked in a range below \$420 an ounce, while platinum prices dawdled between \$585 and \$578 an ounce at the afternoon fixing. Yesterday, however, gold jumped to \$430, its highest close in nearly three and a half years, up \$10.25 on day and \$14.75 on the week. Platinum also rose, but still seems unable to retain the peaks above \$650 which it scaled in early September. The spark for the latest surge in gold was provided by weakness in the dollar and in international stock and bond markets. These factors have conspired with a constructive technical outlook—and with continuing underlying concern about the situation in South Africa, source of more than half the world's gold and over 80 per cent of its platinum—to draw investors back into the gold market. Dealers said the market was able yesterday to absorb a considerable amount of selling by Middle Eastern investors. Some analysts are making increasingly bullish forecasts about the outlook for gold in the remainder of 1986, seizing on talk of a renewed surge in inflation—against which gold is traditionally seen as a hedge. There are also those who predict a shortfall in supplies of the metal.

This week, the technical outlook for gold has been boosted by the continuing improvement in the silver market, which until recently was seen as so depressed that its former status as a precious metal was being called into question. Silver futures have been surprisingly strong on New York's Commodity Exchange (Comex), trading above \$6 an ounce in deferred positions for several weeks. The silver bullion price closed in London yesterday at \$26.35 an ounce, up 5.35p on the week. Comex has also experienced renewed confidence in its key copper futures contract which has been reinforcing its position above 60 cents per pound this week after a dreadful summer in the wake of swingeing labour cost reductions by the US mining companies. The improvement has fed through to the London Metal Exchange, where cash grade A metal closed yesterday at \$232.25 per tonne, up £16.25 on the week. Among soft commodity markets, coffee futures were once again the star performer as traders continued to speculate about a likely supply shortage later in the year. The November contract closed yesterday at \$248.50 per tonne, up \$8.50 on the week. The latest bullish news was provided once again by Brazil, which confirmed that it will have to import large quantities of coffee to supply its domestic market, following the recent drought which has slashed the 1986 crop by two thirds. Demand in Brazil's huge internal



market is strong as a result of the Government's anti-inflation measures. In the oil market, traders on the New York Mercantile Exchange would have been lucky to make much money this week. Every time the market seemed to be moving one way, it about turned and moved the other way instead. By Wednesday the market had talked itself into a bullish frame of mind, and prices sunk as low as \$13.80 for a barrel of West Texas Intermediate, about \$2 down on the week. By Friday afternoon however, prices had bounced back to around \$15. "This is one of the most difficult markets to trade I've seen in ages" said Mr Peter Bentall from Elders Futures. The market seems caught between two conflicting concerns: the glut of product on the market, and the second of the prospect of an acceleration of hostilities in the Gulf. This week's stock figures from the American Petroleum Institute showed that despite a small weekly fall, refineries are still pumping out product at the rate of 1.4m barrels a day, 12 per cent more than this time last year.

US MARKETS

GOLD AND PLATINUM ended hectic trading sessions on an extremely strong note following active buying interest in London, reports Helms. The gold December position formed through hiterto unbreachable resistance levels between \$426 and \$430 in close near the highs of \$441.5 per ounce, thus establishing new contract highs. The recently available platinum market moved up its \$25 daily trading limit in sympathy with gold's strength. A continued lack of trust in the stock market, witnessed by negligible movements on the Standard and Poor's 500 stock index, was widely thought to be a major factor in this explosive move into gold. Coros futures rallied after lacklustre, nervous sessions throughout the week as fears of crop damage because of dryness in the Ivory Coast and Ghana continued to provide support.

NEW YORK

Table with columns: Commodity, Close, High, Low, Prev. Includes Aluminum, Cocoa, Coffee, Copper, Cotton, Gold, Silver, Soybean Meal, Soybean Oil, Sugar, Wheat, and Wool.

HEATING OIL

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

ORANGE JUICE

Table with columns: Month, Close, High, Low, Prev. Includes Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

PLATINUM

Table with columns: Month, Close, High, Low, Prev. Includes Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

SILVER

Table with columns: Month, Close, High, Low, Prev. Includes Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

WHEAT WORLD

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

CHICAGO

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

LIVE CATTLE

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

LIVE HOGS

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

PORK BELLIES

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

COTTON

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

CRUDE OIL

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

WHEAT

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

SUGAR

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

POTATOES

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

SOYBEAN MEAL

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

WHEAT

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

GRAINS

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

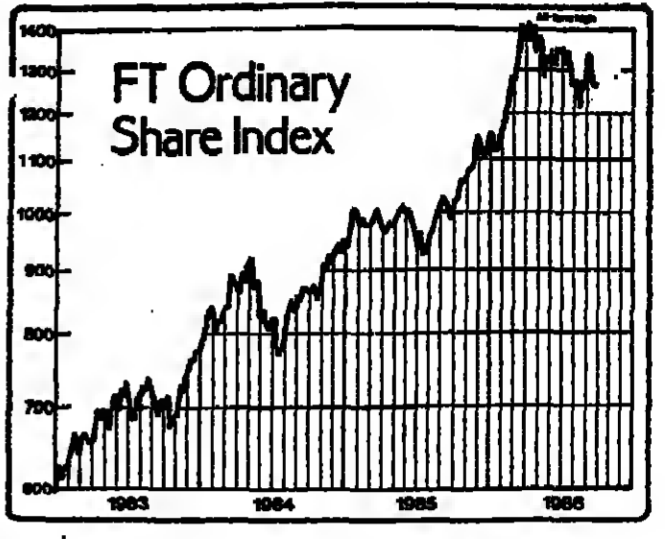
WHEAT

Table with columns: Month, Close, High, Low, Prev. Includes Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep.

LONDON STOCK EXCHANGE

Interest rate uncertainty unsettles stock market

Account Dealing Dates: First Declared Last Account Dealings Day. The FT Ordinary Share Index chart shows a peak in 1985 followed by a sharp decline in 1986. Interest rate uncertainty and a weak outlook for the economy have led to a significant drop in the FT Ordinary Share Index. The index fell from a high of over 1000 in early 1986 to around 700 by late August. Analysts note that the market is reacting to concerns over the Bank of England's monetary policy and the potential for a recession. The index is expected to remain volatile in the coming weeks.



Lee Cooper provided an otherwise quiet day for the FT Ordinary Share Index. The index fell from a high of over 1000 in early 1986 to around 700 by late August. Analysts note that the market is reacting to concerns over the Bank of England's monetary policy and the potential for a recession. The index is expected to remain volatile in the coming weeks. The FT Ordinary Share Index closed at 700 on September 19, 1986, down from 710 on the previous day. The index has lost over 300 points since its peak in early 1986. The main reason for the decline is the uncertainty over interest rates and the economy. The Bank of England has kept rates high to combat inflation, which has led to a loss of confidence in the pound. Investors are also worried about the possibility of a recession, which has led to a sell-off in stocks. The FT Ordinary Share Index is expected to continue to fall in the coming weeks unless there is a change in the Bank of England's policy.

The FTSE 100 share index registered a fall of 1.5%. Most blue chips pulled away from the lowest following the early July rally only to slip away again later. Business was thin and the market was dominated by a few big names. The FTSE 100 closed at 700 on September 19, 1986, down from 710 on the previous day. The index has lost over 300 points since its peak in early 1986. The main reason for the decline is the uncertainty over interest rates and the economy. The Bank of England has kept rates high to combat inflation, which has led to a loss of confidence in the pound. Investors are also worried about the possibility of a recession, which has led to a sell-off in stocks. The FT Ordinary Share Index is expected to continue to fall in the coming weeks unless there is a change in the Bank of England's policy.

UK clearing bank base lending rate 10 per cent since May 22. The FTSE 100 share index registered a fall of 1.5%. Most blue chips pulled away from the lowest following the early July rally only to slip away again later. Business was thin and the market was dominated by a few big names. The FTSE 100 closed at 700 on September 19, 1986, down from 710 on the previous day. The index has lost over 300 points since its peak in early 1986. The main reason for the decline is the uncertainty over interest rates and the economy. The Bank of England has kept rates high to combat inflation, which has led to a loss of confidence in the pound. Investors are also worried about the possibility of a recession, which has led to a sell-off in stocks. The FT Ordinary Share Index is expected to continue to fall in the coming weeks unless there is a change in the Bank of England's policy.

Prudential lower. Comment on the group's £405m purchase of Jackson National Life Insurance of the US. Prudential's share price fell 1.5% on the news. The FTSE 100 closed at 700 on September 19, 1986, down from 710 on the previous day. The index has lost over 300 points since its peak in early 1986. The main reason for the decline is the uncertainty over interest rates and the economy. The Bank of England has kept rates high to combat inflation, which has led to a loss of confidence in the pound. Investors are also worried about the possibility of a recession, which has led to a sell-off in stocks. The FT Ordinary Share Index is expected to continue to fall in the coming weeks unless there is a change in the Bank of England's policy.

Wellcome good again. The subject of persistent demand recently on development hopes for its AIDS vaccine. Wellcome's share price rose 1.5% on the news. The FTSE 100 closed at 700 on September 19, 1986, down from 710 on the previous day. The index has lost over 300 points since its peak in early 1986. The main reason for the decline is the uncertainty over interest rates and the economy. The Bank of England has kept rates high to combat inflation, which has led to a loss of confidence in the pound. Investors are also worried about the possibility of a recession, which has led to a sell-off in stocks. The FT Ordinary Share Index is expected to continue to fall in the coming weeks unless there is a change in the Bank of England's policy.

Freight futures. The market for freight futures was mixed. The FTSE 100 closed at 700 on September 19, 1986, down from 710 on the previous day. The index has lost over 300 points since its peak in early 1986. The main reason for the decline is the uncertainty over interest rates and the economy. The Bank of England has kept rates high to combat inflation, which has led to a loss of confidence in the pound. Investors are also worried about the possibility of a recession, which has led to a sell-off in stocks. The FT Ordinary Share Index is expected to continue to fall in the coming weeks unless there is a change in the Bank of England's policy.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities including Metals, Grains, Oils, and Other Commodities. Columns include Commodity, Latest price, Change on week, and 1986 High/Low.

INDICES

Table showing various indices including Reuters, Dow Jones, and Meat. Columns include Index Name, Value, and Change.

ALUMINIUM

Table with columns: Grade, Unofficial +/- or High/Low, Official closing (amt), Cash, 3 months.

ZINC

Table with columns: Grade, Unofficial +/- or High/Low, Official closing (amt), Cash, 3 months.

COPPER

Table with columns: Grade A, Unofficial +/- or High/Low, Official closing (amt), Cash, 3 months.

GOLD

Table with columns: Official closing (amt), Cash, 3 months.

LEAD

Table with columns: Unofficial +/- or High/Low, Official closing (amt), Cash, 3 months.

NICKEL

Table with columns: Unofficial +/- or High/Low, Official closing (amt), Cash, 3 months.

COCOA

Table with columns: Yesterday's +/- or Business Done, Official closing (amt), Cash, 3 months.

COFFEE

Table with columns: Yesterday's +/- or Business Done, Official closing (amt), Cash, 3 months.

SOYABEAN MEAL

Table with columns: Yesterday's +/- or Business Done, Official closing (amt), Cash, 3 months.

WHEAT

Table with columns: Yesterday's +/- or Business Done, Official closing (amt), Cash, 3 months.

GRAINS

Table with columns: Yesterday's +/- or Business Done, Official closing (amt), Cash, 3 months.

WHEAT

Table with columns: Yesterday's +/- or Business Done, Official closing (amt), Cash, 3 months.

GAS OIL FUTURES

Table with columns: Month, Yesterday's +/- or Business Done, Previous Close, Business Done.

SUGAR

Table with columns: Month, Yesterday's +/- or Business Done, Previous Close, Business Done.

POTATOES

Table with columns: Month, Yesterday's +/- or Business Done, Previous Close, Business Done.

SOYABEAN MEAL

Table with columns: Month, Yesterday's +/- or Business Done, Previous Close, Business Done.

WHEAT

Table with columns: Month, Yesterday's +/- or Business Done, Previous Close, Business Done.

GRAINS

Table with columns: Month, Yesterday's +/- or Business Done, Previous Close, Business Done.

# STOCK EXCHANGE DEALINGS

Details of business shown below have been taken from last Thursday's Stock Exchange Official List and should not be reproduced without permission. Details relate to those securities not included in the FT Stock Exchange Index. Unless otherwise indicated, descriptions are given in the form of a company name, the price at which the business was done in the 26 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talliesman system; they are not in order of ascending or descending price but in order of the day's highest recorded business in the four previous days is given with the relevant date. A Bargain done with non-member or executed in overseas markets.

## CORPORATION AND COUNTY

Corp London 21/10/20 83-00 60/1  
Birmingham Corp 11/10/20 112-00 112-00  
Croydon Corp 11/10/20 112-00 112-00  
London Corp 11/10/20 112-00 112-00  
Manchester Corp 11/10/20 112-00 112-00  
Newcastle Corp 11/10/20 112-00 112-00  
Nottingham Corp 11/10/20 112-00 112-00  
Sheffield Corp 11/10/20 112-00 112-00  
Southampton Corp 11/10/20 112-00 112-00  
Tyneside Corp 11/10/20 112-00 112-00

## UK PUBLIC BONDS

Agricultural Mortgage Corp 60/10/20 82-87  
Agricultural Mortgage Corp 60/10/20 82-87  
Agricultural Mortgage Corp 60/10/20 82-87  
Agricultural Mortgage Corp 60/10/20 82-87  
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Agricultural Mortgage Corp 60/10/20 82-87

## COMMONWEALTH GOVT

Jersey Electricity 60/10/20 82-87  
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Jersey Electricity 60/10/20 82-87

## FOREIGN STOCKS

(coupons payable in London)  
Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87  
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Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87  
Cable Corporation 60/10/20 82-87

## SPECIAL LIST

Rule 535 (4) (c)  
Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

## LIST

Acorn Securities 51/4  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87  
Abel 10/10/20 82-87

## RULE 535 (2)

Applications granted for listed bargains in securities not specified on any exchange

## FINANCIAL TIMES STOCK INDICES

	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	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LONDON RECENT ISSUES

Table of recent issues in the equities market, listing company names, issue types, and prices.

Table of recent issues in the fixed interest stocks market, listing company names, issue types, and yields.

Table of recent issues in the 'RIGHTS' OFFERS market, listing company names and offer details.

Information regarding the listing process, including details on prospectuses, allotment, and listing fees.

Table of European Options Exchange, showing various options contracts and their prices.

FINANCIAL TIMES SURVEY: The Financial Times proposes to publish a CREDIT CARDS SURVEY on November 10, 1988. The survey will cover 12 subjects related to credit cards.

BANK RETURN BANKING DEPARTMENT: Table showing banking returns for September 3, 1988, categorized by liabilities and assets.

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts, including names, managers, and performance data.

FT UNIT TRUST INFORMATION SERVICE

Large table providing detailed information for the FT Unit Trust Information Service, including trust names, managers, and performance metrics.





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INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial services, including company names and brief descriptions.

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Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name, NAV, and other details.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rate.

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Table listing Money Market Bank Accounts with columns for bank name, account type, and interest rate.

Notes and additional information regarding the Money Market Bank Accounts section.



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INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Siam Corp, Anglo-Siam Petroleum, Anglo-Siam Rubber, etc.

LEISURE—Continued

Table of leisure stocks including companies like Anglo-Siam Leisure, Anglo-Siam Entertainment, etc.

PROPERTY—Continued

Table of property stocks including companies like Anglo-Siam Property, Anglo-Siam Real Estate, etc.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like Anglo-Siam Investment Trust, Anglo-Siam Finance Trust, etc.

FINANCE, LAND—Cont.

Table of finance and land stocks including companies like Anglo-Siam Finance, Anglo-Siam Land, etc.

MINES—Continued

Table of mine stocks including companies like Anglo-Siam Mines, Anglo-Siam Gold, etc.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo-Siam Motors, Anglo-Siam Aircraft, etc.

COMMERCIAL TRADING

Table of commercial trading stocks including companies like Anglo-Siam Commercial, Anglo-Siam Trading, etc.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo-Siam Newspapers, Anglo-Siam Publishers, etc.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo-Siam Shoes, Anglo-Siam Leather, etc.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo-Siam South Africa, Anglo-Siam Africa, etc.

TEXTILES

Table of textile stocks including companies like Anglo-Siam Textiles, Anglo-Siam Fabrics, etc.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-Siam Paper, Anglo-Siam Printing, etc.

INSURANCES

Table of insurance stocks including companies like Anglo-Siam Insurance, Anglo-Siam Life, etc.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like Anglo-Siam Trusts, Anglo-Siam Finance, etc.

PROPERTY

Table of property stocks including companies like Anglo-Siam Property, Anglo-Siam Real Estate, etc.

LEISURE

Table of leisure stocks including companies like Anglo-Siam Leisure, Anglo-Siam Entertainment, etc.

PLANTATIONS

Table of plantation stocks including companies like Anglo-Siam Plantations, Anglo-Siam Rubber, etc.

NOTES: Information regarding stock prices, dividends, and company news. Includes a table for REGIONAL & IRISH STOCKS and a note about 'Recent Issues' and 'Rights' pages.

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# FINANCIAL TIMES

Saturday September 20 1986

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## NatWest group takes BA finance deal from Goldman

By Peter Montagnon, Euromarkets Correspondent

THE TUSSELE over who should provide finance of £2.3bn (£1.5bn) to British Airways for its planned purchase of 16 Boeing 747-400 jumbo jets, has been won by a group of five international banks under the lead of National Westminster.

The banks yesterday snatched the business away from a group assembled by Goldman Sachs, the US investment bank which had formed the group in July at the behest of Rolls-Royce as part of the company's successful bid to provide engines for the aircraft.

However, once the Rolls-Royce order had been announced, a fierce bidding war broke out in the banking community to oust Goldman Sachs as an arranger of the finance. All five banks which won the business yesterday had been committed to the Goldman group, from which they defected.

Besides National Westminster, the members are Barclays, Citicorp Investment Bank, Midland, and Mitsubishi Trust and Banking. At least one other bank in Goldman's group, Chemical, also sought to win the deal for itself.

Mr Gordon Dunlop, BA's chief financial officer, said of the winning group yesterday: "They've simply come up with the best deal." Neither he nor the banks concerned would outline the terms, although he said the final payment under the finance scheme will be made in 2009.

Aerospace finance is catching on as a growth sector of the international banking business, now that many airlines, such as BA, are modernising their fleets and replacing aircraft. Yet few banks are expert in it.

Mr Dunlop denied that the final selection of a largely British group of banks had any political motivations. A wide range of considerations came into play with such finance, he said. Besides overall cost there was the need for flexibility in the loan conditions so as to maximise the benefits from any taxation changes on aircraft leasing between now and when the aircraft start to be delivered in early 1989.

Goldman Sachs, which has suffered the embarrassment of its group's disintegration in the bidding war, was putting a brave face on it yesterday. "Our interest was solely that of our client Rolls-Royce. Their object was to win the English order and they won it. British Airways then had to think again, quite independently, about the financing."

Continued from Page 1

## Howe

apartheid organisations in South Africa.

Sir Geoffrey did not seek permission from the South African government for access to Mr Nelson Mandela, the jailed ANC leader, during his visit because British officials had been told that even if permission were granted, Mr Mandela would refuse to see him.

As Mrs Thatcher made clear during her recent talks with Mr Helmut Kohl, the West German Chancellor, the British Government is still opposed to sanctions and reluctantly agreed to the latest EEC sanctions only in the name of European unity.

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		FALLS	
Treas 5pc '06-12	81 + 1	Westero Areas	300 + 45
Belhaven Brwry	87 + 10	Funding 5pc '87-91	5881 - 1
Cons Gold Fields	54 + 14	Allied-Lyons	398 - 8
De Beers Ltd	838 + 16	Burmatex	233 - 7
Glaxo	592 + 12	Dce Corp	250 - 12
Hartbeest	374 + 22	Pilkington Bros	435 - 12
Imry Property	390 + 10	Prudential	818 - 24
Lee Cooper	225 + 7	RBC	615 - 23
Lorraine Gold	440 + 35	Redland	431 - 8
Prince of Wales	440 + 35	Royal Insurance	827 - 12
Hotels	90 + 10	Saatchi & Saatchi	845 - 20
Randfontein Ests	188 + 21	Smith & Nephew	117x - 7
Sons of Gwalia	350 + 57	Tarmac	462 - 10
Wellcome	203 + 6		

## WORLDWIDE WEATHER

UK today: Dry, sunny periods; cloud and some rain in N and W Ireland. High wind in N. Outlook: Similar.

V'day	Y'day	Y'day	Y'day
midday	midday	midday	midday
°C	°C	°C	°C
Algeria S 27 81	Osaka S 16 60	Medina S 24 75	Peking S 24 75
Algeria F 31 87	Osaka F 16 60	Medina F 24 75	Peking F 24 75
Athens F 14 57	Dbrnk S 23 84	Majorca S 32 90	Prague S 13 55
Athens F 14 57	Dbrnk F 23 84	Majorca F 32 90	Prague F 13 55
Bahrain S 35 95	Faro C 24 78	Malta S 20 86	Rhodez S 23 82
Bahrain F 34 75	Faro F 24 78	Malta F 20 86	Rhodez F 23 82
Batavia S 13 55	Frankt S 16 59	Melbne C 14 57	Rome S 27 81
Batavia F 17 63	Frankt F 16 59	Melbne F 14 57	Rome F 27 81
Beirut S 17 63	Geneva C 14 57	Mex C 18 54	Salzbrg F 13 55
Beirut F 17 63	Geneva F 14 57	Mex F 18 54	Salzbrg F 13 55
Bombay S 29 84	H.K. S 23 84	Alban T 18 54	Singapr S 30 86
Bombay F 29 84	H.K. F 23 84	Alban F 18 54	Singapr F 30 86
Brisol C 15 53	Inverce C 13 55	Naples S 20 80	Tanania S 25 77
Brisol F 15 53	Inverce F 13 55	Naples F 20 80	Tanania F 25 77
Buenos S 16 64	Libon S 22 72	Nassau S 20 80	Tokyo S 28 78
Buenos F 16 64	Libon F 22 72	Nassau F 20 80	Tokyo F 28 78
Cardif S 13 55	L.P. S 25 77	N.O. S 25 77	Tunis S 33 91
Cardif F 13 55	L.P. F 25 77	N.O. F 25 77	Tunis F 33 91
Case T S 22 72	Libon S 22 72	N.V. S 20 80	Valencia S 27 81
Case T F 22 72	Libon F 22 72	N.V. F 20 80	Valencia F 27 81
Chicago S 20 80	London S 15 53	Osaka S 16 60	Vienna S 14 57
Chicago F 20 80	London F 15 53	Osaka F 16 60	Vienna F 14 57
Cologne S 15 53	London S 15 53	Owlo S 15 53	Warsaw S 14 57
Cologne F 15 53	London F 15 53	Owlo F 15 53	Warsaw F 14 57
Corfu S 32 90	Luzmbg S 15 53	Paris S 15 53	Zurich S 10 50
Corfu F 32 90	Luzmbg F 15 53	Paris F 15 53	Zurich F 10 50

C-Cloudy, O-Overcast, F-Fair, S-Sunny, H-Hail, R-Rain, S-Snow, T-Thunder, S-Sun, N-Noon GMT

## UK applies to EEC for green pound devaluation

BY ANDREW GOWERS IN LONDON AND TIM DICKSON IN BRUSSELS

BRITAIN is seeking a devaluation of the green pound, the national currency used to translate Common Market support prices for farm produce into sterling.

The change, applying only to livestock products, would boost farm incomes, answer pleas for protection by hard-pressed meat producers and increase food prices by a small margin.

The move, which follows an EEC decision to grant a green currency devaluation to Ireland earlier this week, seems likely to be resisted by the European Commission, which is struggling to restrain spending in support of farm prices. It may also spark demands for comparable treatment from France.

Any devaluation of the green pound means higher prices for farmers and consumers in Britain.

Mr Michael Jopling, the Agriculture Minister, said yesterday that he wanted a 6 per cent devaluation of the green pound for beef and a 2 per cent adjust-

ment for other livestock products.

His move follows the recent depreciation of sterling against Continental European currencies, which has put the green currency well out of line with the actual sterling exchange rate.

It has been urged strongly by farmers, and particularly by meat producers in Northern Ireland. They feared competition from cheaper produce from the Republic of Ireland following the devaluation of the green pound.

The Northern Ireland meat industry says that slaughtering in Ulster has fallen sharply while they have risen in the Republic. Producers have claimed that a devaluation of the green pound would cause a heavy loss of employment within the industry in Northern Ireland, which accounts for some 3,500 jobs.

The consequences of the devaluation of the green pound will be principally felt in the livestock sector... where competition with the Irish is very

direct," said Mr Jopling, adding that the Irish devaluation would also lead to "distortion of trade."

The British Minister acknowledged that a green pound devaluation would increase food prices, but he said the effect would be marginal.

The British request had been generally expected in Brussels although there was no guarantee, however, that Mr Frans Andriessen, the EEC Farm Commissioner, would look as favourably on it as he did on Ireland's.

He has made clear his opposition to green currency devaluations outside the Community's annual price-fixing negotiations, and stressed that only the recent realignment of the European Monetary System, and Ireland's bad weather and depressed farm incomes, made the country a special case.

The French Government, which abstained along with the UK in the vote on the Irish devaluation, will also be watching the Commission's deliberations with keen interest.

## Smith & Nephew to buy US medical group for \$284m

BY TONY JACKSON

SMITH & NEPHEW, the British medical and healthcare company, is to spend \$283.9m (£192m) on acquiring Richards Medical of the US, a manufacturer of artificial joints, surgical implants and other orthopaedic products. The purchase, Smith & Nephew's biggest to date, will bring the group's US sales to about \$350m annually, nearly half its total.

Richards is being sold by CooperVision of California, which bought it in February this year. Since then CooperVision has made other large acquisitions, and is making the sale to relieve the strain on its balance sheet.

Mr Eric Kinder, chief executive of Smith & Nephew, said: "This is an absolute natural for us. The market is a very difficult one to get into, since it needs a solid base of research and development and also a long-standing relationship with

the surgeons who are the customers. There are only half a dozen big players in the US, and Richards is the third biggest."

Richards, like Smith & Nephew, is an international business, with up to a quarter of its sales outside the US, and manufacturing plants in Switzerland, France and Germany.

Mr Kinder said the group had no particular preference for US acquisitions. "We regard the US market as very important in its own right, but I'd be perfectly happy to look at a nice attractive UK company to redress the balance, if such a one existed," he said.

The bulk of the price is to be paid by the recently fashionable method of a vendor placing a clawback facility, with the rest coming from US loans. An issue of 110.58m shares, worth £127.1m, is being placed with City institutions, but

shareholders will be able to take up the shares in the form of a 2 for 15 rights issue at 115p. On the stock market Smith & Nephew's shares fell 7p yesterday to 117p.

Richards has shown profits growth of 46 per cent a year in the last five years, making operating profits of \$15.2m last year on sales of \$141.4m. Mr Kinder said that although the price/earnings ratio on Richards' earnings was about 30—well above Smith & Nephew's rating—he did not expect significant dilution of this year's earnings.

Sbearson Lehman, the US investment bank which advised Smith & Nephew on the purchase, said the British company was one of a very few companies given the opportunity to bid by CooperVision. "We were able to do things very quickly, and kept it very quiet," the bank said.

## Unit trust sales top 1985 total

BY ERIC SHORT

THE VALUE of unit trust sales so far this year has exceeded that for the whole of 1985, itself a record, according to figures yesterday from the Unit Trust Association.

By the end of August, sales had reached £5.63bn and August itself set a record for any one month of £990.5m.

Sales for last year overall were £5.5bn.

The contrast with 1985 is even more striking when re-purchases — people cashing in their units — is taken into account.

Re-purchases in the first eight months totalled £2.1bn, leaving a net new investment total of £3.26bn, 2½ times the level reached by August 1985 and well above the record £2.54bn for the whole of that year. This August itself, net new investment was £495m.

Three factors lie behind the upsurge in unit trust investment. First, world stock markets



have been buoyant and that in itself tends to attract investors.

Second, the large financial institutions, particularly the life companies, have been coming into the unit trust sector, setting up management companies or expanding existing involvement.

Third, unit trust management groups have been marketing units more aggressively and expanding their marketing outlets. Many have appointed sales directors whose job is to keep in constant touch with intermediaries.

In addition, they have launched a variety of funds, most of them overseas funds, to cover most of the world equity markets.

The buoyant stock markets and increased sales have resulted in the value of funds under management soaring each month. The total appreciated by nearly £2bn last month to reach £29.8bn at its end—more than double the value a year before.

The number of direct unit-holder accounts, which passed the 3m mark in July, continued to rise in August to reach 3.07m at its end.

Unit trust review, Page VII; Broker funds pose dangers, Page IX

## Gatt ministers still split on farming and services

BY WILLIAM DULLFORCE AND IVO DAWNAY IN PUNTA DEL ESTE

DIPLOMATIC EFFORTS to break the impasse between governments over the terms of a global trade agreement grew more frenetic yesterday after a flurry of proposals in the early hours failed to resolve the key disputes.

With less than 24 hours to conclude the meeting, ministers are still hickering over the wording of their declaration on farm trade and how service industries should be managed in a new round of negotiations under the General Agreement on Tariffs and Trade (Gatt).

The "free traders" group of 14 agricultural exporting nations backed by the US, yesterday rejected a proposed text on farm trade, offered by the EEC after four days of fractious debate with France.

This met French insistence for no specific reference to export subsidies nor any date set for their removal. Australia and Argentina are demanding that the word "export" — aimed directly at the EEC's Common Agricultural Policy system of subsidies — stays in. They also want to keep a commitment to "phasing out" all subsidies.

Hopes of a breakthrough on the services issue have risen

from the welter of proposals to Mr Enrique Iglesias, the Uruguayan conference chairman.

Brazil and India, chief opponents of the inclusion of services in Gatt, have given ground in several areas and Mr Clayton Yeutter, the US Trade representative, appears to have conceded the principle that services should be integral to a rule-making Gatt round.

Early yesterday, the two sides agreed that the sector could be negotiated on the same time-scale as trade in goods and should be conducted under the same heading. The question of the status of the talks remains unresolved.

Brazil and India have long argued that services trade is not within Gatt competence, while the US has insisted that it be incorporated into the general agreement. It has been mooted that the whole negotiation, including that on goods, be taken on an ad hoc basis.

Legally this would mean the talks would not be conducted by the Gatt contracting parties, but by the same negotiators sitting instead as sovereign governments. The final results could be incorporated into the Gatt treaty only by a separate decision taken at the end.

## Schroders to sell life business to Australian group

By David Lascelles, Banking Correspondent

SCHRODERS, the UK merchant banking group, is to sell its life insurance business and the linked unit trust operation to the National Mutual Life Association of Australia, the second-largest life office in Australia.

The \$99m deal marks Schroders' decision to pull out of life insurance and concentrate more closely on the wholesale banking and securities markets, where it sees its future. The sale price is significantly higher than the value given to the business by Schroders in its latest accounts.

Mr G. Mallinckrodt, Schroders' executive chairman, said that the life insurance and unit trust business, which are grouped in Schroder Financial Management (SFM) had developed rapidly and successfully. But management considered that "the long-term development of SFM will be enhanced by being part of an organisation that is itself primarily involved in the life assurance and retail financial services market."

Schroders will retain that portion of SFM unit trusts subscribed directly by its own clients. It has also entered into an agreement with National Mutual to continue to act as investment manager to SFM for three years. SFM has 20 authorised unit trusts and numerous life and offshore funds. The funds being transferred to National Mutual amount to about \$900m.

Schroders valued its life insurance subsidiaries at £22m at the end of last year. The equity interest in other SFM activities was valued at £3m. Altogether the SFM group contributed £700,000 to Schroders' disclosed operating profits of £16.5m last year.

Mr Eric Meyer, chief executive of National Mutual, described SFM as "one of the fastest-growing and most prestigious businesses in the UK," and said: "I think a new force has arrived on the UK market."

National Mutual has more than £8bn in worldwide assets, and interests in a wide variety of financial services. It has grown fast in the UK recently, and is building headquarters in Poole, Dorset.

The deal is subject to Schroder shareholder approval, and is expected to be completed by December 31.

Mr Mallinckrodt said the proceeds from the sale would ensure that Schroders had a "good cushion" of capital before the Big Bang, the deregulation of the UK financial markets, at the end of next month.

He said the sale had not been prompted by any need to separate the investment management business from the rest of the group for reasons of conflict of interest.

## Markets

and strengthened slightly against the dollar to \$1.476, although it slipped in New York to close at \$1.4755.

In London, the FT Ordinary share index fell 10.5 to 1,269.1. Roderick Gram in New York said the discount on S & N's placing yesterday, closing in New York at DM 1.9685, having finished the day in London at DM 1.992. However, the US Treasury bond market saw prices tumble for the second day running. The benchmark Treasury bond fell by 1½ by the New York close to 93½ to yield 7.52 per cent.

Most attention was given to the New York Stock Exchange where the once-a-quarter phenomenon of "triple witching hour" passed without the enormous price swings in the closing minutes of trading experienced previously. The Dow Jones Industrial Average closed down 11.87 at 1,762.55.

However, the simultaneous explanation of share futures and share indices futures and options generated a huge surge in volume as traders squared their positions. About 25m of the day's 133.5m shares were traded in the closing minutes of the session.

Mr Robert Birnbaum, president of the NYSE, and Mr Richard Ketchum, the Securities and Exchange Commission's director of market regulation, were satisfied with the market's performance.

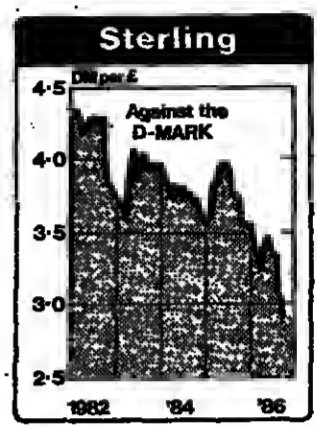
Both watched trading on the floor but said it would take some time to analyse data to determine whether new disclosure requirements had taken some of the sting out of triple witching hour.

Traders were required to disclose half an hour before the close any imbalances in their market-on-close orders in the 30 Dow Jones Industrial Average bloc chip shares.

## THE LEX COLUMN

# A black Mark for sterling

Index fell 10.5 to 1269.1



Gilt-edged traders seem almost to savour had news, and there is nothing they enjoy more than an old-fashioned sterling crisis. So the sight of the pound not just slipping but slumping against the Deutsche Mark on Wednesday and Thursday — and the Bank of England offering no viable means of support — had them slashing prices with alacrity. Yesterday's steeper tone in the foreign exchange markets calmed things down. Even so there was still talk of a possible rise in base rates. A few weeks ago that would have been unthinkable, and it is not at the top of the political agenda even now. But the pressures for an increase are varied and if the market was to seize on just one pretext it could talk itself into a misery.

The obvious concern is sterling and the chance that if West Germany continually refuses to cut interest rates the UK will have to raise them. The UK authorities will no doubt take heart from the fact that the pound has lost little ground against the dollar, hoping that the markets will concentrate on this traditional if misleading barometer.

Sterling weakness may be more than a reflection of D-mark strength, though. If the above-target growth in monetary aggregates is to blame, tighter monetary control is the textbook solution however unacceptable politically. Fears about inflation—whether caused by a lower exchange rate, high wage increases or even monetary growth—are not yet pressing but might increase. Lastly, political worries could worsen as the party conference season progresses, deterring foreign investors; gilt-edged yields have risen faster than in other bond markets, but does the widening differential justify this currency risk?

It is easy to sympathise with HAT. The transaction has given BET the boost of a 30 per cent platform it sorely needs after a sluggish start to its campaign. The immediate uplift was available only to professional shareholders and the arbitrage gap has inevitably closed, thus reducing the value of the BET share offer for HAT holders out in the sticks.

But it is hard to see that BET has done anything wrong, as opposed to smart. Nobody was shorting HAT, since certificates had to be matched. And if HAT uses its independence, it will probably have the falling market to blame more than this transaction.

Such is the City's confidence in Smith & Nephew that if S & N wants to buy Richards Medical that's good enough for investors. The discount on S & N's placing yesterday, closing in New York at DM 1.9685, having finished the day in London at DM 1.992. However, the US Treasury bond market saw prices tumble for the second day running. The benchmark Treasury bond fell by 1½ by the New York close to 93½ to yield 7.52 per cent.

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finance men write into the p and l. Enterprise's cash position improved by £11.2m in the first half to reach £31m net. Here the contrast with Esso, which had about £120m in its first half, is at its clearest. Enterprise may have to pay a disputed £50m corporation tax bill during the second half, which would leave it in the unfamiliar position of having some net debt like Shell. If current oil prices persist, Enterprise's should make just enough to cover the £18m cost of maintaining the dividend. On that basis the shares, up 4p at 130p are yielding 9.5 per cent. That seems a fair risk assessment.

In a week that has seen 10m disappearing shares in AE decide one takeover bid battle, the sudden materialisation of shares in BET could well decide another. It is not at all surprising that the HAT Group has objected so strongly to the off-market share swap which has raised BET's stake in HAT close to 30 per cent.

To recap: having reached the 15 per cent level of purchases for cash, BET was unable to buy more HAT in the market without raising the cash offer. BET's financial advisers offered various institutional holders of HAT new BET shares pro-rated to the formal BET share offer. Given the dodgy state of the market, and the diminishing chance of a higher offer from elsewhere, there seems to have been no shortage of takers of jam today rather than at the end of the account. That some HAT holders took advantage of the immediate arbitrage possibilities between the BET share and cash offer, amounting to some 14p at best, is no more than human nature.

It seems odd that a company with a single product and no foreign earnings, should take almost three months to deliver its interim results. But shareholders in Enterprise Oil will not complain at a delay that may have quelled any boardroom doubts about a maintained dividend. The company is now getting about £16 for each of its barrels of oil. At the end of the first half the price was only £6, and even Enterprise, fixated as it is by its share price performance, must have thought it would become yet another failed income stock.

In fact, the company can justify its generosity by its earnings. Although pre-tax profits covered only 15 per cent of the payout, the PRT credit of £15m is simply the Government's subsidy to the first half exploration programme. In other words Enterprise's real exploration costs were only £2m, rather than the £25m above the line that swamped gross profit of £23m.

# WEEKEND FT

Saturday September 20 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

**A** SHORT sharp shock awaits anyone making a random visit early in the morning to any major English criminal court. Any idea that justice is still based on the concept of swift and efficient trials so that suspected transgressors can be dealt with fairly disappears instantly in the noisy mayhem of jurors, lawyers, witnesses and relatives messing around, trying to establish which long-delayed case is to be heard next in which uncomfortable courtroom.

There have been times when justice might have been dished out too speedily. Samuel Pepys recorded in his diary for January 8, 1664, a robbery in London's Lymestreete in which Lord Tryan, a merchant, lost £1,000 cash and about £4,000 "in Jewella." On January 21, Pepys got a place on a cart wheel for a shilling to view, with between 12,000 and 14,000 other people, the hanging of a man named Turner for the Tryan robbery. But not even a parking ticket gets processed that quickly these days.

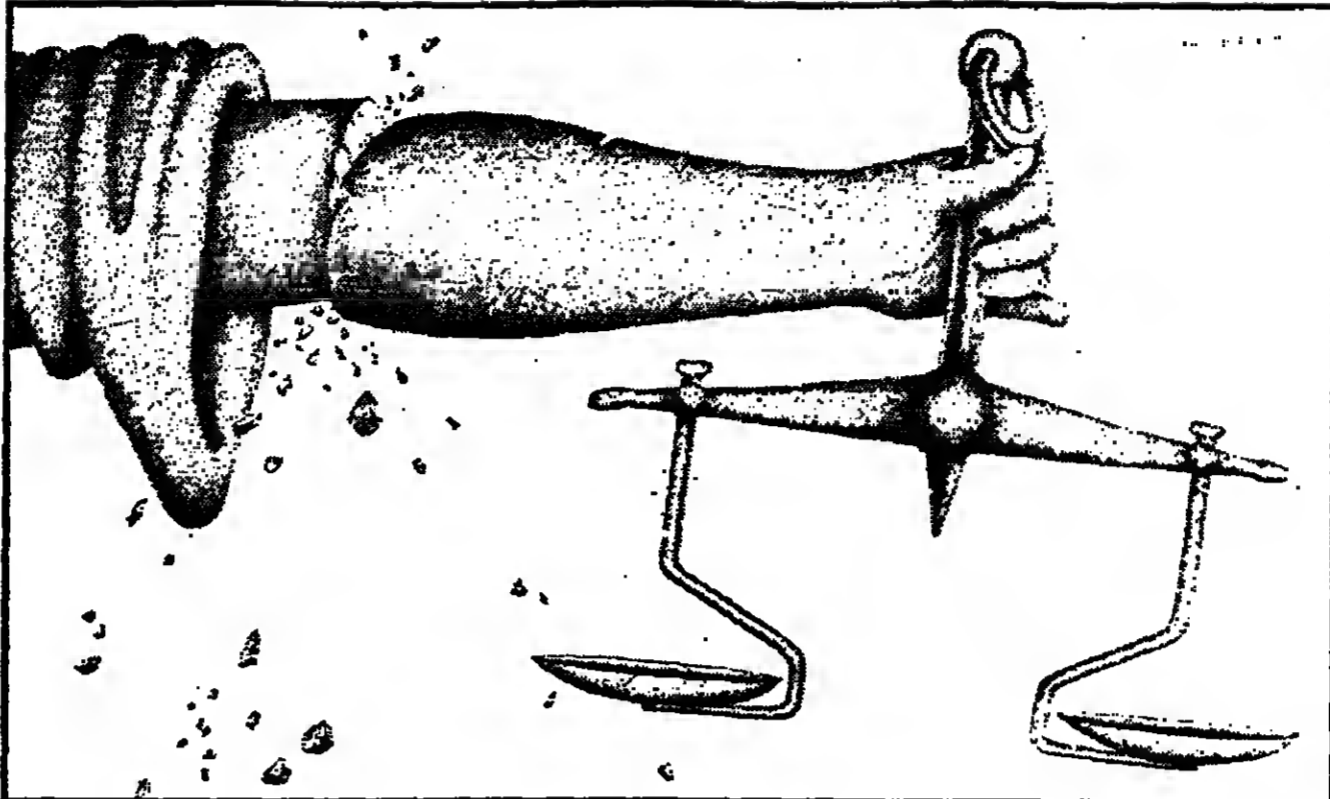
Everybody agrees that the lengthy delays in modern-day UK court procedures are intolerable. Judges blame lawyers, lawyers blame the system. The government gives the system more money and staff and appoints more magistrates and judges. Nothing improves. Prisons fill up faster than they can be built, much of their room being occupied by people awaiting trials that will eventually acquit them. The problem runs through all branches of the legal system, civil and criminal. Lord Justice Neill complained recently of "inordinate and inexcusable delays" by lawyers which had meant that a medical negligence case took nine years to get to court.

However, it is the near-standstill in some criminal courts that is most alarming because it is those courts which make decisions affecting not only a person's good standing and future position in society but also his most precious possession—his personal liberty. Equally alarming, there is mounting anecdotal evidence that the system of criminal courts is leading to corner-cutting and abuses of the system. While there is little to support the view that outright jury-tampering is widespread, there are examples aplenty of defending lawyers making excessive use of the right to challenge jurors in an attempt to get a sympathetic jury. Some solicitors and barristers are also starting to talk in hushed tones about a rise in plea-bargaining (in which prosecutors and defenders make agreements before a trial begins), a practice alien to all the traditions of British justice.

It is also difficult to reconcile the idea of a fair and well-argued trial with the sight of court papers being thrust into lawyers' hands minutes before they rush into court for a committal hearing, for example, leaving them to read, think and argue all at the same time.

Without a doubt, the system is breaking terribly under the strain, and the ultimate losers are the defendant and society's respect for the judicial process. The latest in the rush stream of criticism is from Lord Gifford QC, whose book *Where's the Justice?* notes: "For people pleading not guilty, delays awaiting trial can be terrible... The average figures conceal many cases of people spending a year or more in custody and then being acquitted. No compensation is available to them unless they can sue the police for malicious prosecution. Usually, this will be a time of great anxiety, and I have known clients who have suffered far more from the strain of waiting than from any sentence which the court would be likely to impose."

England's courts are in trouble. Many are stretched to breaking point and some cases can take years to be heard. Robin Pauley examines the causes of the crisis and what might be done.



## Justice goes on trial

The official statistics bear witness to his comments. One of the problems is the way in which the judicial system is divided-up. Lay magistrates, supplemented by professional stipendiary magistrates in some of the larger cities, hear all cases at the start and can deal with all minor offences. But they must send serious cases on to the crown courts to be heard by a judge and, in the case of defendants denying the charges, to be tried by a jury of 12 selected at random. In addition, on a wide range of not-so-grave charges, defendants can choose to have the case referred-up from the magistrate's court to the crown court for trial.

During 1984, some 109,000 people were committed for a trial for which they had to wait an average of 14 weeks in England and Wales, ranging from nine weeks in the Midlands to 24 weeks in London. In many cases, several weeks has to be added to cover the period between a person being charged and the prosecution finally being ready to present its case to magistrates for formal committal to the next court.

In addition, a further 9,500 people were sent by magistrates to the crown courts to be sentenced because the magistrates felt a more severe sentence was needed than they were empowered to impose. These defendants had to wait between five and seven weeks on average for the bad news (which, in fact, often turns out to be a good deal more lenient than might have been imposed in the original court). Another 17,700 appealed against their sentences, their wait varying between an average 64 weeks in the Midlands to 10 weeks in London.

All defendants in Britain are "innocent until proved guilty," so the detention in custody of a person awaiting trial is one of the trickiest grey areas in which the rights of the individual and the general protection of society collide uncomfortably.

year before their innocence can be tested. This problem is even worse than it looks because people pleading not guilty have to wait even longer in custody for trial. About half the people who plead not guilty are acquitted, so every year several thousand people spend a good part of their time in prison awaiting trial for crimes of which they will ultimately be cleared.

Justice at both the magistrates' and crown court levels is at breaking point in London, where the delays are much the worst. Famous seats of justice—the Old Bailey, Southwark and Knightsbridge crown courts, and Bow Street and Marylebone magistrates—are struggling against the tide. Defendants, witnesses, relatives, lawyers, jurors, court officials, policemen and spectators mill around like a railway terminus crowd.

Although the average waiting times are lower for people held in custody than for those freed on bail, more than a third have to wait more than eight weeks in prison before they are even committed for trial—a proportion which rises to three-quarters in London. The chaos is so bad in the capital now that a quarter of all people held in custody have to wait more than 20 weeks before their case is sent for trial.

When this is combined with the average waiting times in the capital for a trial, it is easy to see why so many people languish in prison for around a year.

The lawyers escape. Prosecutors and defenders alike are to be found lunching in local wine bars where many a deal is fixed. They are exceptionally cautious and secretive. According to one lawyer, in a wine bar suitably close to the London Dungeon: "It used to be very straightforward in the old days. Two charges were laid by police in magistrates' court—say dangerous driving and driving without due care. A guilty plea

to the second usually meant the police accepting a not-guilty plea to the first, except in really hard cases. A not-guilty plea to both meant the police prosecuting both. Now, it's much more complicated. There is serious and secret behind-the-scenes bargaining over pleas and charges well beforehand.

The lawyer's colleague concurred, nervously. "You can get away with a lot these days if your client will only agree to plead guilty to something. Often, the pressure comes from the police side. The whole system is clogging up and you can often get a minor charge if you promise to plead guilty just to keep a lengthy not-guilty plea out of the courts. It is wrong, but in some senses the defendants are better off—the guilty ones, that is."

Just how far down Britain's judicial system does London's decline stretch? Certainly the crown courts in the other major cities are over-loaded and the wheels of justice grind ever more slowly as the pressure mounts despite the appointment of more judges and recorders to sit in more courts.

In the Yorkshire city of Leeds, we find the point of balance between a judicial system still barely working satisfactorily and one no longer meeting the criteria. The crown court, for all its splendid new accommodation, is hearing cases months after the offences were committed, and time and again delays negate the concept of swift and fair justice. Nearby, the city magistrates provide the example of the "crossover" point. The courts are housed in the grandiose grimace of Victorian municipal architecture, with pompous statues of the Prince Consort (1855) and the Princess of Wales (1872) gracing the foyer.

In the rest of the building, 12 courts work all day every day to keep up with 60,000 cases a year, all of which are heard by benches drawn from the 360

lay and two stipendiary magistrates. "We have really had to streamline procedures to cope. All new cases are heard in one court; there is a sifting court for new prisoners and remands in custody and a special court for committals," says Peter Whitehead, clerk to the magistrates.

Committals for trial are the most notorious cog in the wheel. In Leeds last year, 2,913 people were sent for crown court trial for 7,390 indictable offences. One problem is that many people elect to go to trial in the belief, supported strongly by statistics, that if they plead not guilty they are much more likely to be acquitted by 12 of their peers than by lay magistrates. But this applies only to people who plead not guilty. About 90 per cent of the people committed for trial eventually plead guilty after taking professional advice; had they (or a good many of them) elected to be dealt with by magistrates, they could have contributed to avoiding a colossal waste of court and legal time that adds greatly to the logjam.

Whitehead says: "It would be worth experimenting by sending those who elect to go to crown court and then plead guilty back to the magistrates for sentence. That might stop the drift. It is very sad that so much time is needlessly wasted when the courts are under such pressure." On the other hand, he is careful not to equate efficiency with justice.

He admits candidly that Leeds was as close to breakdown as anywhere. "The worst is over, but we did get to the point where only about 40 per cent of cases for committal were being considered on the day they were set down for hearing. This means only six or seven were considered from a list of 16 or 17. We were nearly grinding to a halt, but we are now up to about 60 per cent."

Part of the problem in magistrates' courts has been the phasing-in of the new crown prosecution service, which will take all responsibility for prosecutions away from police and put them in the hands of an independent, fully-qualified team of prosecutors. Its introduction has been hair-raising for courts and lawyers alike; and although it should be operating fully next month, there is still a severe shortage of prosecutors.

In the small spa town of Harrogate, 15 miles from Leeds, there is less evidence of strain in the system. The court sits twice a week and often rises before the end of the day. On a typical Thursday, there were 29 charges against 15 people in the main courtroom. However, all was not well. The crown prosecutor had travelled 40 miles to get to court and the shortage of staff in the service means she was hopping about courts covering a large swathe of Yorkshire each week. She had been up since 4 am studying that day's cases because the police had been late and the papers had arrived only the previous evening.

One aim of the service is to save court time by not allowing cases to be sent for trial with evidence so weak or inconsistent that they are sure to be acquitted. In the dawn light she had caught two such cases in the day's list, telling the magistrates each time: "There are aspects of the evidence I am not happy with and I would not like this committal to go ahead today."

Another problem appeared subsequently. Although courts like Harrogate have plenty of time the police forces do not, and police investigation and paperwork is a serious cause of delay. As a result, an untried man was returned to jail on remand for yet another week because his complex case (involving several other defendants) was still not ready to go. "We have been promised a committal every week for four or five weeks at least," his lawyer complained.

The police were in blame for another hiatus when a minor drugs case had to be adjourned for a week despite the fact that everybody was in court ready to proceed. A pair of scales crucial to the case was not in court but locked in the police station, and all the officers with keys to the drugs cupboard were out.

However, courts like Harrogate are still generally functioning in the way demanded for the fair administration of justice. The solicitors in court thought it usually worked well enough. "It has its bad moments, but there's nothing like Leeds where I've had committal papers thrust into my hand literally as I run into court for the hearing," said one.

The ideal is to be found in tiny towns like Pateley Bridge at the head of Niddersdale in North Yorkshire. The court meets once a fortnight. Magistrates from the town of Ripon and a clerk from Harrogate have to drive across spectacular dales country to hear the local list in the tiny, neat courtroom attached to the police house. The preponderance of cases concerning animals and mooring is interspersed occasionally with charges arising from the peace camp at the US radar tracking station at nearby Menwith Hill.

It is all very friendly. Magistrates, police and defendants often know each other and drink together, hearings occasionally lapsing into first name terms. Delays are minimal and the concept of speedy justice by one's peers is nowhere more evident than here—although judicial propriety dictates that the days when a JP could call out "I know that man. He plinches my pheasants," before proceeding to hear a poaching charge, are gone forever.

### The Long View

## Less a crisis than a warning

IN spite of anything you may have read, the world's stock markets did not collapse last week. Except in Tokyo they did not even fall very far. Tokyo's fall reflects its earlier excessive rise—as you were warned to this column. Wall Street, which has been very strong, started the shake-out on the strength of a false rumour that the US economy was very strong—not as irrational as it sounds, as we shall see.

As for London, its fall only looked sharp because the news headlines always concern themselves with the two narrow indices, the 30 share FT Index and the 100 share FT-SE Index. These now consistently exaggerate any change in average prices because they include the shares in which modern speculative trading is concentrated. The broad FT Actuaries Index moved only half as far as these two; and all three are well above the tops they reached in the last shake-out, only last month.

It is clear, then, that the word "jitters" is much better than the word "crisis" to describe what has happened. All the same, these jitters are becoming persistent. Both Wall Street and London have had repeated sharp falls since the spring. The reassurance is that as soon as calm returns, prices persistently drift up. This is a pattern which tells us something not only about the underlying strength of prices, but also about the cause of the jitters.

To put it in a nutshell, prices on all the world's main stock markets are being driven by liquidity—flood of money provided (mainly) by the addition to borrowing of the US government and people topped up (significantly) by

Last week's outbreak of jitters, wasn't just a computer fault, says Anthony Harris. The US is addicted to debt; Japan to exporting and the UK to inflation—and all three face a painful cure



consumer borrowing in Britain. Whether you believe that this piling up of debt must stop one day, causing a very uncomfortable collapse in demand, or whether you believe that it can go on, and will result in inflation, the news is not comforting. In market terms, too, things always get jittery when prices are driven by liquidity. The persistent upward drift in prices does not reflect growing optimism, but simply a growing

supply of money. Prices fall when investors think about the fundamentals, and rise when investors stop to think about something else. This is a much less comfortable pattern than the opposite, "sore tooth" pattern which occurs when money is tight—a succession of booms on good news, with prices tending to drift back in between.

On the whole most people think that the credit boom can

go on. The most notable feature of the summer, apart from the nervous drift of prices, has been the re-appearance of inflation fears. That is what the gold price is telling us; and it is also the reason why bond prices have been weak. The fact that there has been a genuine collapse in gilt prices has not attracted headlines similar to those about the ups and downs of equities, simply because the move has been much less dramatic. A long succession of a point or so a day, however, adds up to a big fall. American bonds have also been weak, most sinister of all, they have fallen particularly sharply when interest rates have been cut.

In other words, there are some nervous fund managers who think that the long equity boom is over and who are looking for a chance to get out with their glory intact. There are still plenty of buyers to accommodate them. In the bond market, on the other hand, holders of long dated bonds, who sell out when a fall in interest rates seems to offer the opportunity, will not be back in a hurry. Long interest rates in the English-speaking countries now seem to be rising again—a warning that the market believes that inflation will rise in due course too.

The exchange markets also have a message. The inflation will happen in the English speaking countries, but not in the more conservatively managed German and Japanese spheres of influence. The persistent weakness of sterling and the dollar is the result of this judgment. Indeed, so far as foreign holders of American and British debt are concerned, it is just as bad as inflation, which is simply a system of creeping

default by debtors. Because of the drop in the dollar and sterling, the crown has already lost a great deal of their money.

However, British and American problems are not the same. The UK has an addiction to high wages and hire-purchase. It has been able to finance these vices out of North Sea oil, and the whole economy has remained solvent. Indeed, Britain has built up very large foreign investments in the last few years. The only worry for Britain, then, is how painful will it be to break these habits—or for that matter, to give in to them?

In America, however, the addiction is national. This means that the bad experience foreign investors have already suffered could cause an outright financial crisis, not on a huge scale. If America can't stop borrowing from abroad, but nobody from abroad is prepared to lend on present terms, then the dollar could collapse in a disorderly way with a huge rise in interest rates—the disaster in interest rates forecast by Stephen Marris some years ago, sketched more recently by the influential Dr Henry Kaufman.

That is why it is quite reasonable for Wall Street to take fright at news which suggests that American consumers are borrowing more heavily—or whatever—and to recover when this turns out to be a false report. That is also why rumours of booming credit and rumours of bank failure go together.

Finally, it also gives the Japanese good cause to worry, for their surplus is the counterpart of the US deficit. If the US is in trouble, so is Japan; for if American consumers do not borrow to buy their exports, who will?

### CONTENTS

Arts: Britten/Tippett on the South Bank	XXI
Books: Robert Blake on Churchill	XX
Diversion: It's curtains for everyone	XIX
Finance: The great TSE launch	VII
Sport: Soccer's struggle for fans	XXII
Travel: Therapeutic Caribbean cruising	X

Arts	XXI	Finance & Family	IV/IX	Sport	XXII
Books	XX	Food	XVII	Stock Markets	
Bridge	X	Gardening	XVIII	London	
Chess	X	How To Spend It	XX	New York	
Crossword	XXII	Motoring	X	Belgium	
Diversion	XVIII, XIX	Property	XII, XIII	Travel	X

## FRAMLINGTON

### GROWTH RATES

The average annual compound rate of growth in the price of units (on an offer-to-bid basis) of each of our capital growth funds between launch and 1st September 1986 was as follows:

Fund	Launched	Growth
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International Growth	Oct 76	+26.2% p.a.
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American Turnaround	Oct 79	+23.9% p.a.
Recovery	Apr 82	+25.7% p.a.
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FRAMLINGTON

Nerves show as the gyrations continue

IT HAS been a week of remarkable volatility in the London equity market, dominated in turn, by fall-out from Wall Street and growing concern about the trend of UK interest rates.

That the week should have begun nervously was hardly surprising, given that the previous one had ended with prices on Wall Street going through the floor and London following suit.

After a weekend's reflection, London decided on Monday morning that the New York plunge had been overdone, and there was a good rally. But the underlying concern about Wall Street's erratic movement and the direction of the US economy, was highlighted in dramatic fashion on Tuesday morning when a rumour swept the City that BankAmerica, the troubled California bank, had approached the Federal Reserve Board for assistance.

And as the week wore on, more domestic concerns came to the fore. Sterling fell below DM 3 for the first time, and its exchange rate index dipped to an all-time low, after the West German Government made clear that it intended to stand firm against American pressure for an early cut in interest rates.

Even so, the yield on high coupon long-dated gilts has now climbed from 9.5 in mid-August to cross the 10 per cent barrier this week, reflecting concern about interest rate and inflation trends, and this has inevitably prompted questions as to whether equities are too expensive.

Certainly, the gyrations of the market over the past few days suggest there is little firm upward movement in the equities market, with the FT-SE 100 closing last night at 1600.4 compared to 1608.6 a week ago.

That said, market trading has been relatively thin, with many investors apparently holding back funds for the Trustee Savings Bank offer for sale, which will close next Wednesday massively over-subscribed.

On the takeover front, the main news of the week was the £1.4m deal for Elders TNL, the Australian brewing, farming and trading group, to buy Courage, Britain's sixth largest brewer, from Hanson Trust.

The agreement brought to an end speculation as to whether Elders would re-launch the £51m bid for Allied-Lyons, which it first unveiled nearly a year ago. The bid for Allied was stymied by a reference to the Monopolies Commission, but at the start of this month the Commission gave Mr John Elliott, Elders' tough, ebullient chairman, the green light to bid again if he so wished.

In the event Mr Elliott chose not to go for Allied—which has mounted a classic defensive campaign over the past 12 months that has gone some way to ameliorating its previous lacklustre reputation in the City.

In buying Courage—which Hanson acquired in the spring as part of its successful bid for Imperial Group—he has chosen both a more immediately available target and one that does not have Allied's major non-brewing interests in foods and wines and spirits. But such a "clean" purchase has not come cheap. The prospective multiple looks to be about 16, stripping out cash and free trade loans within Courage.

Nevertheless, Courage gives Mr Elliott the strong UK launchpad he has been seeking to attack the European market. His innovative marketing and financial ideas promise to inject more vigour into the UK brewing industry at a time when it is already facing a Monopolies Commission inquiry into its tied house system.

Allied, which saw its shares fall back sharply following the announcement of the Courage deal, can only breathe a little more easily. Apart from competition from Mr Elliott, the City will be seeking evidence that its new found vigour is to be sustained. Analysts will also be monitoring how well Allied integrates its recent purchase of a majority stake in the spirits side of Hiram Walker Resources, the Canadian company. That deal was widely

regarded as in part a "poison pill" to ward off Elders, though Allied denies this. The happiest of the protagonists is probably Lord Hanson, chairman of Hanson Trust, who has pulled off a remarkable financial coup that underscores his reputation as a player with equal in the bringing of assets undervalued by the market. Imperial Group cost him around £2.7bn, largely in Hanson paper. Courage, together with the £19m sale of Imps' hotels and restaurants to Trusthouse Forte, and the disposal of Golden Wonder, the crispie company, will net him about £1.7bn cash. Yet he will still retain Imperial Tobacco and Imperial Foods, and will thus have spent just £1bn for businesses which should make about £200m pre-tax.

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And in the middle of all this it produced something of more substance: a £405m agreed offer for Jackson National Life Insurance, one of the fastest growing US insurance companies.

Life insurance is the Pru's core business, but this is its first foray into the US market, into a high regard company, but it is not doing so cheaply—at \$51 a share, it is paying \$20 over Jackson's previous market price and probably just over 17 times net earnings this year. Any diluting effect on the Pru's earnings will depend in part on the uncertain outcome of the planned US tax changes.

For the restructuring York & Equity, in conjunction with the West Yorkshire Enterprise Board, assembled—a syndicate of investors to acquire a 29.9 per cent holding in York Mount. In addition York Mount raised £2m through a rights issue.

Balfour now envisages transforming York Mount from a property to an industrial holding company by acquiring the textile group of the unseasonable spring weather. Overall, few expect the group to turn in much above £10m compared with £9.69m last time.

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While Barratts is committed to boosting its middle-priced house range aimed at second-time buyers, this segment accounted for only 10 per cent of sales in the first half. Analysts are hoping that the company's target of selling 40 per cent of its houses in the higher priced range has been met.

HAWKER SIDDELEY has been spending its £150m cash pile in dribs and drabs while looking around for something more exciting, and the City is hoping that Sir Peter Buxtedell, the chairman, might have

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HIGHLIGHTS OF THE WEEK

Table with columns: FT Ordinary Index, FT Govt Securities Index, Allied-Lyons, Anglo American Coal, etc. Includes price changes and market commentary.

Gambie on York's equity

John Crowther, The Weavercraft acquisition, paired with the purchase of Carpets International, was the first phase of Crowther's renaissance into one of the fastest growing companies in the textile sector.

After the holding in York Crowther and continued to act for it in acquisitions. Michael Abrahams became Crowther's deputy chairman.

In May York Trust surfaced on the USM having orchestrated the reverse takeover of Equity Finance. York Trust emerged with a 26 per cent holding in the new company, York & Equity, and Neil Balfour became managing director.

The first priority was to lick the old Equity Finance business into shape: to reform its arcane dual share structure, to write down oil and gas investments, and to redirect its activities

towards financial services. Balfour was also eager to revive Equity Finance's issuing activities and to augment York Trust's corporate finance work.

One of the new company's first corporate finance projects was to orchestrate the restructuring of the York Mount Group. Although York Mount operated a profitable printing company and held a portfolio of commercial property, it had encountered problems in its construction division.

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COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Table with columns: Company bid for, Value of bid per share, Market price, Price of bid, Value of bid, Bidder. Lists various companies and their financial details.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit (£000), Earnings per share (p), Dividends per share (p). Lists companies and their financial performance.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit (£000), Interim dividends per share (p). Lists companies and their interim financial results.

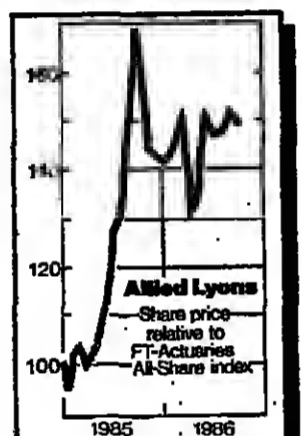
(Figures in parentheses are for the corresponding period.) Dividends are shown net of tax per share unless otherwise indicated. L.Loss.

SCRIP ISSUE

Iceland Frozen Foods—One for one.

RIGHTS ISSUES

Buro Industries—To raise £3.3m through a one for three rights issue at 140p. Bromsgrove Industries—To raise £2.2m through a two for five rights issue at 70p. Platignum—To raise £0.95m through a two for five rights issue at 8p.



Share price relative to FT-SE 100 index

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USM UNLISTED SECURITIES MARKET

Table with columns: Company, Announcement date, Dividend (p), Last year, This year. Lists various unlisted securities and their market performance.

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# Low-flying airlines

AFTER THE previous week's bloodbath, Wall Street has been trying to pick up the pieces this week. Traders took some comfort in the fact that share prices did not continue their freefall but the mood on the Street remained very nervous as analysts tried to pinpoint the reasons for the market's sharp decline.

Given the volatility in share prices in recent weeks, the approach of yesterday's so-called "triple witching hour" when September stock-index futures, options and individual stock options simultaneously expire, has been treated with unusual reverence by the more superstitious traders. Investors have been sitting on the sidelines and trading volume has averaged around 140m shares, or \$5bn a day, compared with the 240m shares a day being traded at the end of last week.

The technical debate about the role of computer program trading and arbitrage in the recent sharp market decline continued this week. Alan "Ace" Greenberg, the chief executive of Bear Stearns and one of Wall Street's better-known "swabstickers", used the occasion of his company's first annual meeting last Monday to describe suggestions that the market's recent fall could be blamed on programme trading.

As "ridiculous". The fact that share prices have been falling on overseas stock exchanges and on the American Stock Exchange and the over-the-counter market, where programme trading plays little or no role, has not gone unnoticed by analysts, who are looking for more fundamental reasons for the stock market's recent performance.

The continued weakness of the dollar, which fell below DM 2 on Thursday, combined with signs that the West German economy is not going to howl to US pressure to cut their interest

## Wall Street

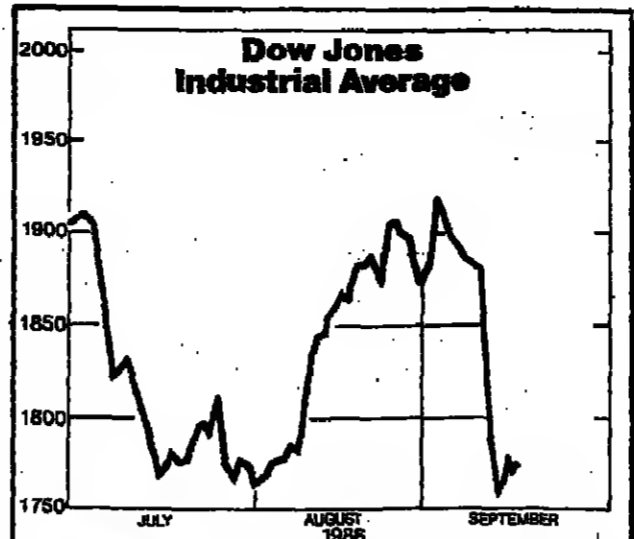
rates, have left the credit markets in a nervous mood, and by early yesterday morning US Government long bonds were yielding over 7.8 per cent—a rise of 60 basis points in a month.

With less than a fortnight to go before the end of the third quarter, analysts are now estimating that the economy is crawling ahead at an annual growth rate of between 1.5 and 2.0 per cent in the current quarter, compared with the 0.8 per cent in the second quarter. Against this background the

main action on Wall Street over the past week has focused on takeovers and potential takeover targets. The week started with the news that Texas Air, the fast-growing cut-price airline headed by Frank Lorenzo, had come to the rescue of People Express, the struggling carrier run by Don Burr, a former colleague of Lorenzo. People Express shareholders will get \$4 a share for their stock, which has traded as high as \$15 over the past year but has been falling in recent weeks.

Texas Air shares, which are quoted on the American Stock Exchange and have flown between \$40 and \$15 over the past 12 months, have firmed on the news, and by Thursday evening were trading at just under \$30. The group's bid to take over Eastern Air Lines, another struggling giant, has been tentatively approved by the US authorities, and assuming that the People Express deal goes through, Texas Air will be the biggest carrier in the US.

Among the other takeovers this week, a little-known group of investors has offered to inject up to \$250m in Western Union, the struggling communications group, in return for board control. The shares of Western Union, which is having difficulty getting its creditors to agree to its refinancing plans,



have risen on the news and are now standing at \$42. Meanwhile, Viscom International, a much healthier company in the broadcasting arena, announced plans to go private through a \$1.7bn management buy-out.

Much of the fun on Wall Street this week has been centred on two much bigger and more revered takeover targets: USX Corporation (now US Steel) and Bank of America. For weeks USX has been surrounded by takeover rumours after Robert Holmes à Court, the Australian investor, began buying shares. However, the rumours have escalated this week that Carl Icahn and Irwin Jacobs, two of America's most feared corporate raiders, have

also been buying shares. USX shares, which touched a low of \$4 earlier this year, have been rising steadily in very heavy trading, and yesterday morning saw yet another huge 2m block of shares change hands at \$241. Meanwhile rumours about Bank of America continue to swirl around the financial markets. Its shares fell as low as \$84 at one stage on Thursday, before recovering. By yesterday morning they were back to \$111.

MONDAY	1767.58	+ 8.86
TUESDAY	1778.54	+ 10.96
WEDNESDAY	1769.40	- 9.14
THURSDAY	1774.18	+ 4.78

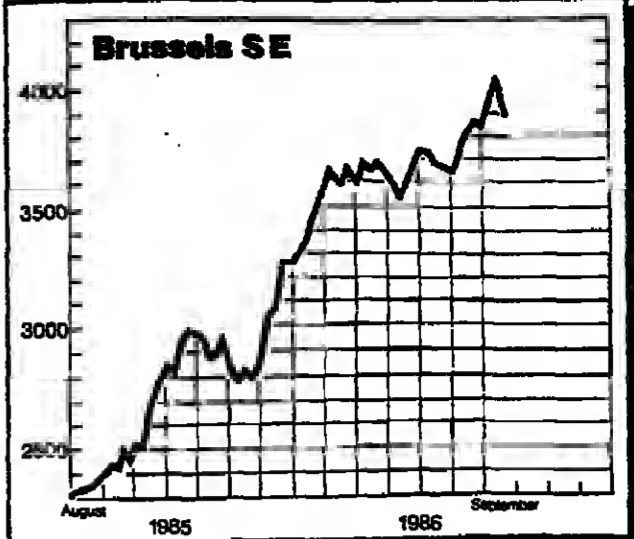
William Hall

# Uneasy mood stays

THE EVENTS of the past 10 days demonstrate clearly how the Brussels Bourse—in common with other Continental stock exchanges cannot ignore financial developments elsewhere in the world, notably in the US and Japan.

After a chirpy start in September, the Brussels Stock Exchange Index responded to Wall Street's recent spectacular collapse by itself plunging 100 points to 3,894 last Friday. It picked up some of the lost ground on Monday and Tuesday, but inevitably, because of the direction of international interest rates and uncertainty in North America and the Far East, returned on Wednesday and Thursday, with the result that prices again drifted lower.

If international factors are clouding the outlook from Brussels at the moment, domestic considerations have nevertheless played an important part in the steady advance of the Belgian stock market so far in 1986 (most of the indices show a rise of around 30 per cent since the beginning of the year).



The re-election of the centre-right coalition of Wilfried Martens last October—something against the odds—was greeted enthusiastically at the time by investors and the Prime Minister has since continued to convince the market that his austere recipe of budget cuts will eventually restore the health of the Belgian economy.

Its ambitious package of almost Bfr 200bn of cuts—the so-called Vaj Dubesse plan—was successfully concluded earlier in the summer, and while the negotiations were accompanied by widespread social disruption, the absence of further strikes this month suggests to many that the medicine has been grudgingly accepted by those opposed.

Foreign investors in Belgium tend to stick to a relatively small number of publicly quoted companies. The Stock Exchange, after all, is comparatively very small, with 90 per cent of the capitalisation of the Bourse represented by just 50 stocks (of which only 10 to 15 could be said to be truly liquid by international standards). Trading can sometimes be thin, even in some of the better known names such as Bekaert, the steel and wire products manufacturer.

The major Belgian holding companies—Groupe Bruxelles Lambert (GBL), Societe Generale de Belgique, Cobeys and Soëna, for example—are among the most actively traded equities. Established in many cases in their present form during the 1930s, when the Belgian banks were required to regroup their industrial interests into separate holding companies, they are a particularly Belgian phenomenon and offer investors a wide spread of different activities. Indeed as one Brussels stockbroker points out an investment in Societe Generale, a vastly powerful institution with a finger in just about every significant pie, is effectively an investment in Belgium itself.

With the former EEC Industry Commissioner, Viscount Etienne Davignon, now a director, "Soc Gen" under its new management is trying to shake off a somewhat rusty image it has often been called the Old Lady, and has been trying to redirect its assets into areas of high growth.

Petrofina, Belgium's biggest company (which on its own accounts for a 10-15 per cent slice of the capitalisation of the Bourse) had until this week come back a little into fashion on hopes that the crude oil price might be bottoming out. The big retailer GB Inno Bxl, and the chemical/pharmaceutical concern UCB, have also attracted support from international investors looking for underpriced opportunities in these sectors.

Brussels is distinguished, if that is the right word, by an almost complete lack of high technology stocks. Only Telindus, a high flying manufacturer of modems which came to the second marche (or junior stock market) more than a year ago, has made a significant mark in this sector.

Where, then, does the stock market go from here? By the middle of this week, the pessimists who feel that the present round of international interest rate cuts has come to an end appeared to have the upper hand. But Andre Beier, of Brussels stockbroker De Wassy, is optimistic and sees the present weakness as a selective buying opportunity although he admits that the market might not move ahead again for some weeks.

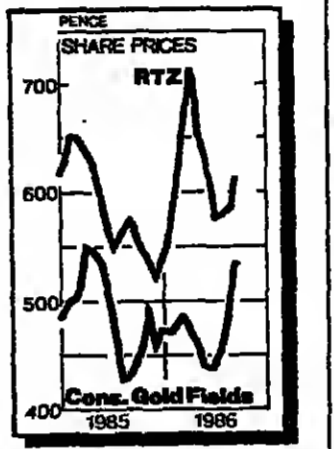
Tim Dickson

# Industrial profits rescue RTZ

Hammered by a decline in iron ore prices. Energy profits meanwhile fell 56 per cent to £19m, hit by the decline in oil prices and by an apparently temporary slippage in deliveries from Rossing Uranium.

For the record, stockbrokers are expecting the company to make £190m to £200m for the year, with possibly a small increase in the dividend. The interim was left unchanged at 7p net.

This time last year, Rudolph Agnew, chairman of CONSOLIDATED GOLD FIELDS, said he could see sunnier uphills ahead. Twelve months later, the company is still on the same plateau of profits and dividends across which it has been marching for the past few years. Pre-tax profits for the year to the end of June were down slightly at £110.9m (£114.9m).



One-off factors were partly to blame—1985-86 profits included a substantial property sale and a much larger contribution from the US industrial interests which were sold off during 1985-86. But a more serious element in the results was an £8.6m fall in South African gold mining profits to £53.4m, due to the decline in

the rand. This is the financial price the company has to pay for investors' concern about the political future of South Africa. There is no sign of a recovery in the rand in sight, but the appreciation in the dollar gold price since the company's year-end should give it a considerable boost in 1986-87.

Outside South Africa, Gold Fields' mining interests are showing some of their potential. Profits from NEWMONT MINING and from RENISON GOLDFIELDS were well up, although both companies benefited from one-off sale profits. Gold Fields' US gold interests look even more promising after these results — MESQUITE made its first contribution, ORTIZ returned to profit, and CHIMNEY CREEK is expected to come on stream in 1988.

The ARC aggregates businesses on both sides of the Atlantic, strongly increased its profits, making a combined contribution of £65.3m to oper-

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Between January 28th and August 14th 1986, the unit price of the County Japan Growth Trust doubled in value in what we believe to be a record breaking 198 days.

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This gives an invaluable edge to our experienced Fund Manager in London.

**TOP PERFORMING AUTHORISED UNIT TRUST IN 1986**

All prices calculated on an offer to bid price basis to 228.86 with income reinvested. Source: IDC Opal.

### HOW TO INVEST

To take advantage of this offer either phone the direct dealing line on any business day to purchase units at the prevailing price

01-726 1999

or complete the coupon and send it to us with your cheque.

The purchase price on 19.9.86 was 204.4p per unit, and the estimated annual gross yield was 0.6%.

### COUNTY UNIT TRUSTS

Post to: County Unit Trust Managers Ltd, 161 Cheapside, London EC2V 6BL

I/We wish to invest £\_\_\_\_\_ (minimum investment £500) in the Japan Growth Trust of the offer price ruling on the day of receipt of my cheque, made payable to County Unit Trust Managers Limited.

Or debit my ACCESS account Card No. \_\_\_\_\_

Surname(s): Mr/Ms/Miss \_\_\_\_\_

First name(s) (in full) \_\_\_\_\_

Address (in full) \_\_\_\_\_

Date: \_\_\_\_\_ Signature(s): \_\_\_\_\_ I am/We are over 18.

Please tick here for automatic reinvestment of income

Please tick here for details of the County Share Exchange Scheme  UNITSAVE

The NatWest Investment Bank Group

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GENERAL INFORMATION  
Contract notes will be issued within 7 days of the date of the offer. The price and yield are published daily in leading national newspapers. You can sell units back to the Managers on any business day at the Bid Price ruling on receipt of your instructions. An initial charge of 5% is included in the Offer Price of units. Redemption is paid to qualified intermediaries—rates available on request. The annual charge is 1% per annum (1.4% of the trust value) and is deducted from the trust's gross income. The income distribution will be made normally on 1st November to unitholders registered by the 1st September.  
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## BET Offer for HAT Group

### Value of BET Increased and Final Share Offer:

# 142p

### HAT Share Price:

# 138p

HAT SHARE PRICE BEFORE OFFER:

# 94p

FINAL CLOSING DATE OF OFFER:

## 10.30 am, 25th September

Value of Offer based on share price of BET at 3.30 p.m. on 19th September, 1986.  
HAT share price and HAT share price before offer are prices at 3.30 p.m. on 19th September and 21st July, 1986 respectively.  
BET reserves the right to revise and/or increase the offer if a competitive situation arises.

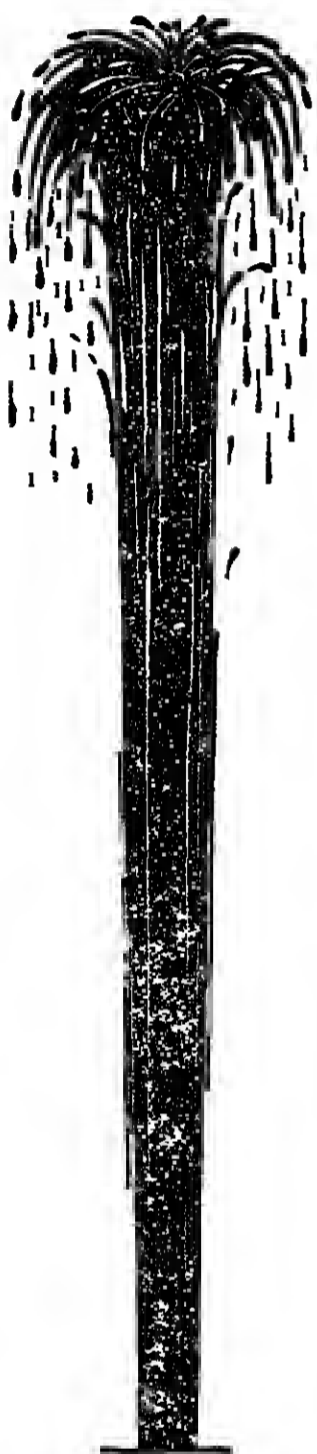
**ULTRAMAR**

Ulamar PLC  
Turnover in year ending  
31 December 1985: £2,357,800,000.  
Source: Annual Report 11/3/86.



**BURMAH**

The Burmah Oil plc.  
Turnover net of duties in year ending  
31 December 1985: £1,457,900,000.  
Source: Annual Report 10/4/86.



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**AFCOR INVESTMENTS LIMITED**

The private investors' dealer

ON WEDNESDAY the Great Investment Race will begin. Six teams of top stockbrokers and fund managers will put their investment skills to the test by seeing which can raise most money for charity by managing an investment portfolio worth £35,000, for a year.

The teams are drawn from many different strands of the finance industry - from a Japanese securities house to an insurance company. They have accordingly opted for very different investment strategies.

Bell Lawrie, the Scottish stockbroker, proposes to adopt a cautious approach to the Race with its team of three: Derek McIntosh, managing director; Alan Henderson, director in charge of managed portfolios; and Frank Malcolm, director responsible for overall investment.

"We intend to manage the portfolio as we would any growth portfolio for a private client," says Derek McIntosh. "I suspect that most of the houses will choose active policies, but we expect the market to be very volatile over the next year and will be less aggressive."

"From time to time we will hold gilts, but largely the portfolio will be a mix of UK and overseas equities. Overseas we will invest in the US through individual companies and in the Far East through funds. This should give us an appropriate spread of investment."

By contrast Fidelity Investment Services, the unit trust group, is taking the riskiest route possible through a strategy of "opportunistic" investment.

The Fidelity team—Anthony Bolton, investment director, Gery Lowe, US fund manager, Peter Pleydell Bouverie, portfolio manager, and Michael Wrobel, UK fund manager—will adopt the company's strategy of "stock picking" by opting for individual companies rather than for specific markets.

"We will manage the portfolio fairly aggressively," says Anthony Bolton. "It will not be widely diversified but will make active investments in individual stocks. We may even go liquid from time to time until suitable opportunities arise."

Hoare Govett, the London stockbroker, is opting for the best of both worlds by combining high risk in part of its portfolio with more stable growth in the rest. Its portfolio will be managed by Bryan Baugman, chief executive of financial services; Peter Meinertzhagen, director in charge of UK equities; Roger Nightingale, chief economist; Roy Burne a director on the equity desk; and Peter Clark, assistant director of financial services.

"We want to combine short-term risk with long-term growth," says Peter Clark. "Most of the portfolio will go

**FINANCE & THE FAMILY**

Alice Rawsthorn eyes the field in the fund managers' derby

**Grand prix investing**



into UK equities; some traded in the short term, the rest held in quality stocks for the long term. The balance will go into equities in one overseas market, probably one of the smaller Far Eastern markets. If the London market suffers, then we will transfer a larger part of the portfolio overseas.

Like Fidelity, the London stockbroker, Messel has chosen the opportunistic route. "We are dealing with a very small sum of money and there can be no question of having a balanced portfolio," says David Hunter, Messel's managing director.

"We believe it will be a year of violent fluctuations and we expect to be in a position to take advantage of them. A year is too short a time to adopt a long-term investment strategy, so we will look for opportunities and jump on them, moving in and out of high risk situations. Some one had lent us them money

for long-term growth we would adopt a completely different policy."

David Hunter will be joined on the Messel team by Sue Blacker, head of European technology research; Geoffrey Chamberlain, head of options retailing; Michael Del Mar, an institutional salesman; and Peter Jones, head of research. Nomura International, the Japanese securities house, has opted to play on familiar terri-

tory by concentrating its investment on the Tokyo stock market. The Nomura team will be composed of Kenichi Fukuhara, executive director, and Fusao Ishii, company secretary of Nomura in London.

"In the initial stages we will invest aggressively to build up the portfolio," says Kenichi Fukuhara. "Once the original sum has been increased we will adopt a less risky approach."

"Most of our investment will be in Japanese equities. As a company we are more familiar with the Tokyo markets, and although the stock market may be volatile at the moment there are lots of opportunities to exploit. But we will also use convertible bonds and warrants and the Japanese futures market through the Nikkei Index."

The Prudential is not only sponsoring the Great Investment Race but is entering too. Trevor Pullen, UK equity director, and Ted Williams, senior fund manager, will administer the Pru's portfolio.

"What we will try to do is to use a fairly aggressive investment policy of choosing a limited number of stocks, possibly only one stock at a time," says Trevor Pullen. "We will be using a variety of instru-

ments. Futures, for example, are cheap to deal in and offer a good rate of return if you think the market is going to fall.

"Occasionally we will move into the new issues market, sometimes the secondary market. By using stock futures we need only put down a small amount of money, so we can use our skills in the rest of the market. And we will not be afraid to stay in cash if the market looks dodgy."

The Great Investment Race will begin at the Pru's headquarters in London at noon on Wednesday. Brian Corby, chief executive of the advertising agency Lowe Howard Spink and Bell and chairman of Charity Projects, the Race's organisers, will fire the starting pistols.

The six teams will then begin to manage their £35,000 investment portfolios. The winning team will be the one with the highest value portfolio at the end of a year.

None of the teams would be drawn on how much money they expected to make, either individually or collectively, from the Race. The Pru has, however, organised a sweepstake in which employees try to guess how much will be raised. The proceeds of the sweepstake will go, like the profits of the Race, to Charity Projects for donation to charity.

FT readers can follow progress through our regular reports and will have the chance to take part in a race of their own, the FT Readers Race, which will run alongside the Great Investment Race.

**Saving up for school fees**

Eric Short with more guidance for parents wishing to put money aside to pay for their children's schooling

PREVIOUS articles in this series have stressed the financial burden of private education. School fees are high and are likely to climb at a rate faster than inflation. The aim of this series is to advise parents on how to cope with this as it arises.

The most effective means is to save in advance to meet the bills, using the wide variety of savings plans now available to investors. It is self-evident that the earlier parents start to save, the lighter the eventual burden. However this presupposes two conditions. First, that parents have decided upon private education for their children well before the children start school. Although school fee specialists report enquiries for savings plans even before a child is born, their general experience is that parents make the decision quite late on in the child's life.

The second condition is that parents can save towards school fees. The years after a child is born tend to coincide with maximum pressure on family finances. There are mortgage repayments to meet, and the mother is often tied to the home, either not earning or earning less, in part-time employment. If there is more than one child, and their ages are close together, the situation is made more difficult.

This leads to an important consideration: when planning the savings strategy, do not aim too high. The planning exercise should be intended to ease rather than lift the burden. Parents must decide on the amount the family can afford to save out of the family income.

Any savings plan should be flexible and reviewed frequently to adjust to changing circumstances - at least every two years. Families may find they can increase the amount put aside, or may find the sacrifice too high and reduce their commitment.

Parents have a wide choice of savings schemes ranging from National Savings end building society deposits to life contracts and unit trusts. However, certain principles need to be understood.

Life assurance and unit trusts are essentially long term investment contracts. The heavy front-end loadings make life assurance contracts unsuitable for periods of less than seven years, while unit trusts should be held for at least three years. Savings for shorter periods should be put into National Savings or building societies.

Since school fees savings are for a specific purpose over a known period, parents can go into savings schemes which, while providing higher returns effectively lock the money away. Advice from a specialist is desirable, but parents should take the trouble both to understand the particular savings plan on offer and take the trouble to discuss it thoroughly with their advisers. A "peckish" saving plan may avoid hassles, but could provide a lower return.

Parents should always remember that fees rise with inflation, so a savings medium that rises similarly, such as an equity-based investment, is desirable. For this reason some specialist advisers their clients to invest in unit-linked life savings plans, based on equity funds because, overall, they will give higher returns than other

forms of investment. However, there are problems in deciding the amount of income to put aside.

Unit-linked life companies project future benefits on their contracts at a very conservative rate of interest—usually 7.5 per cent. This approach is admirable for allowing the investor a conservative estimate of the return on his policy for a predetermined level of monthly savings. Invariably the investor will end up with a much higher cash sum than illustrated and everyone is satisfied.

Many parents saving towards school fees have a pre-determined target and need to know the amount they should save each month to reach this target. Overshooting it means they will have made unduly high financial sacrifices. In this case, one could use a more realistic rate of return rather than a conservative one, so that the monthly outlay is not too high. However, such investments also tend to be volatile; parents run the risk of having to cash-in to meet school bills at a period when the equity market is depressed.

So if parents are using such investment plans they need to keep them consistently under review, prepared to switch into deposit funds as the time to pay the bills comes near. That is why many specialists still prefer the traditional with-profit endowment as the most suitable compromise between high returns and stability.

School fee specialists have thought hard about methods of saving to meet the requirements of their clients. At the outset many people can only set aside comparatively small amounts, but expect to be able to increase their commitment. A variety of low-start schemes have been devised accordingly.

The table shows two examples of school fee savings—a low start and a level savings scheme. But these are by no means the only ways of planning to cope with school fees.

**SAVINGS PLAN**  
Male, aged 34 with five years' fees to meet, starting September 1986. Current fees £1,500 a term, expected to rise 5 per cent annually

Cost of meeting half anticipated fees by taking out five per cent endowment assurance maturing in successive years

MONTHLY PREMIUMS	£
10-year contract	13.74
11-year contract	12.17
12-year contract	10.89
13-year contract	9.95
14-year contract	9.28
<b>TOTAL MONTHLY OUTLAY</b>	<b>£</b>
1-10	56.06
11	42.32
12	30.15
13	19.26
14	9.28
15	

Year	BENEFITS*	FEES TARGET
10		
11	3,804	3,666
12	4,092	3,849
13	4,280	4,041
14	4,416	4,242
15	4,641	4,455

\* Policy payments assume maintenance of current bonus rates.  
For a low start scheme, the parent takes out as many of the five contracts as he can afford, starting with the 10-year contract. He also takes out convertible term assurance for a monthly premium of £3.10 and on each anniversary he decides whether to convert part of the term policy into one or more of the remaining contracts.



THE CLEARING banks are lining up to offer customers a stockbroking service after the Big Bang on October 27. Following in the footsteps of Barclays and the Midland, Lloyds Bank this week announced that its new Sharedeal service, which will enable investors to buy and sell shares at a fixed rate of commission, will be available at all of its 2,300 branches nationwide.

Investors will pay a broker's commission of 1.5 per cent on buying and selling equities and 0.5 per cent for dealing in gilts, subject to a minimum charge of £10 and a maximum charge of £100. In addition, there will be a bank handling fee on a sliding scale ranging up to £5.

Lloyds claims that its new service will be both simpler and in many cases cheaper. Sharedeal customers will also be able to open an instant

access high interest cheque account, with no minimum deposit and an associated overdraft facility, for share dealing and receiving dividends.

IN THEIR continuing battle to win back investors, building societies are offering ever-better returns. This week, Nationwide has added a new top tier to its Bonusbuilder instant access account so that it now pays 8.0 per cent net CAR on balances of £25,000 and over. Previously its top rate was 7.75 per cent, payable on balances of £10,000 and over.

However, the Skipton has moved in the opposite direction, lowering the threshold at which it pays its top return of 8.30 per cent net CAR— which beats that of the Nationwide and other major societies — to £10,000 from £25,000. Previously, investors with balances of between £10,000 and £25,000 earned 8.10 per cent.

Abbey National, meanwhile, has added a further refinement to its Gold-Edged Bondshare. Launched in July, Abbey first reduced the minimum investment from £25,000 to £10,000 and is now offering a monthly income option. This offers a guaranteed rate over two years of 3.00 per cent above the vari-

able share rate, currently 5.25 per cent.

Investors who opt for annual interest payment are guaranteed a premium of 3.25 per cent above the ordinary share rate. However, investors should note that, at the present share rate, this gives a return of 8.50 per cent. This can be bettered by other societies' medium term notice accounts and by some instant access accounts.

INVESTORS really are spoilt for choice when it comes to unit trust investment. Hardly a week passes without at least one new trust coming onto the market and the past week is no exception. Legal and General Unit Trust Managers, the unit trust arm of Britain's second largest life company, is offering three new trusts, bringing the total number to 12.

You might question the timing of launching a Japanese Trust when the growing strength of the yen is forcing down equity prices. However, with the International Bond Trust, L and G aims to take advantage of continuing high interest rate levels worldwide by investing in the world's fixed interest markets.

The third new trust is the Managed Fund — the latest trend in unit trusts. But this is not a fund of funds as L and G will be investing

directly in the securities, not in other unit trusts.

In launching the funds, John Tickle, L and G's unit trust investment manager, referred to the impressive track record of others in the stable — in particular, its Far Eastern Trust, its North American Trust and its Gilt Trust. This should anger well for these new funds, except for some doubts over the timing.

Richard Thornton, of Thornton Unit Managers, has little doubt that the performance of many major markets has led to over-optimism, particularly in Japan where the market is overvalued and where the present fall could continue in the short term. He launched a conservative Oriental Income Trust, aimed at providing a higher income level than is normally associated with Far Eastern markets and capital growth commensurate with a prudent level of risk.

He aims to achieve this by investing in the Japanese bond markets as well as in other Far Eastern markets. The income field of 3 per cent will come from the holdings in Samurai and Euro-Yen bonds — over 50 per cent — while growth will come from high yield equities in Hong Kong and other markets

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Exceptional rewards still await the enterprising



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The portfolio is actively managed in equities, convertibles and warrants of quoted companies, with particular emphasis on technology, recovery and growth stocks, smaller companies and new issues. Investments may include fixed interest securities. The Managers may, as circumstances suggest, utilise any or all of the investment and currency instruments or techniques permitted now or in the future by the U.K. Department of Trade & Industry. Examples include currency hedging, foreign currency loans and traded options. Investment may also take place within the prescribed limits in unlisted securities, unquoted equities and secondary or O.T.C. markets. Close to the pulse  
The investment advisers to the

Fund are Schroder Asia Limited and the Fund therefore benefits from the same expertise which has placed a range of Schroder Far Eastern Funds at or near the top of their long us tables. Schroder Asia, a leading Hong Kong investment manager, established there for over 15 years. Plus 18%\* in 4 months  
The performance of Schroder Far Eastern Growth Fund since launch on 17th May 1986 testifies to its local capability. The offer price of units has already risen by over 18%\*.

Invest cautiously  
Schroder believe that the dynamic profile, active management policy and exceptional local opportunities, to which Schroder Asia Limited are well situated, add up to unusually exciting prospects for continuing growth in the Fund. Commensurate with these factors must be an above-average level of risk and we therefore recommend that any investment represents only a limited proportion of your portfolio. It is not a Fund for the timid investor. Units will be issued at the price ruling upon receipt of your application. The offer price of accumulation units was 59.1p on 16th September 1986. The current estimated gross annual yield is 0.5%\*. Minimum investment is £500. Remember that the price of units and any income from them may go down as well as up. (\*17.5th-18.2th, after all, before tax rebates)

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**Schroder Financial Management**  
UNIT TRUSTS LIFE ASSURANCE PENSIONS ASSET MANAGEMENT





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—"I DO"—

"Do you promise to manage your combined funds of nearly £1 billion with the vigour that has made you Money Observer's best investment trust group of 1985?"

—"I DO"—

"Will you strive to maintain the performance of your UK Market Features Unit Trust, which is up 66.7% in one year?"

—"I WILL"—

"Will you endeavour to improve the performance of your Japan Unit Trust which, over 2 years, out of 649 funds, was a mere 2nd?"

—"I WILL"—

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—"I WILL"—

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FINANCE & THE FAMILY

# Margaret Hughes on savings-related share schemes

## Options pay rich rewards

THE FIRST of the savings-related share option schemes, launched after the tax concessions granted under the 1980 Finance Act, are now reaching the stage when investors can exercise their option to buy shares in the company where they work at a fixed preferential price. The first such schemes were launched in 1981. Given the buoyancy of the stock market during this period, employees who invested in this way five years ago can now look forward to rich rewards.

Under these schemes employees save anything between £10 and £100 a month in multiples of £1 over five years. The chosen amount is deducted automatically from their salary or wage packet and invested in either a National Savings or building society SAYE account. Most of the 333 schemes in operation are tied to building society savings schemes. Investors receive no interest during the period, but at the end of five years they are paid a bonus equivalent to 18 months' payments into the scheme, which is free of tax. This is equivalent to an annual interest rate of 8.3 per cent.

The bonus rates are fixed by the Treasury with the aim of keeping these broadly in line with market rates. They were last changed in October 1985. Previously they were higher—the equivalent of 18 months worth of contributions—in line with the then prevailing market rates. If, at the outset of the scheme, an employee decides to leave his or her savings in the scheme—without further contributions—for a further two years, then the bonus is doubled to 28 months contributions; equivalent to an annual return of 8.6 per cent.

Though investors can obtain better returns on other savings products, the rates on these schemes are guaranteed throughout the life of the contract and, as with any SAYE scheme, they are tax free; especially attractive to higher rate taxpayers.

At the end of the five-year period an investor can simply withdraw all the invested capital plus bonus earned. Alternatively the funds can be used to buy shares in the employer company at a rate which is fixed at the outset of the savings period, and usually at a preferential rate. (Legislation allows companies to offer their shares to employees at a discount of up to 10 per cent.)

Among building societies, prime movers in the share option market have been, predictably, the major societies: the Halifax with 282 schemes; the Abbey National with 130; the Nationwide and the Leeds Permanent with about 100. But another society which has been particularly active is the Yorkshire, which has 87 schemes in operation.

One of the first of these, set up in conjunction with the Manchester-based Refuge Assurance Company, has just matured. Over 100 employees who joined the scheme five years ago and took up the option to buy shares in the company at the option price of £1.60 have just made a gain of 524 per cent.

According to the Yorkshire (which seems to be the only society able to make such a comparison), this is the equivalent of an annual return on savings of 69.25 per cent. (The original option price was £1.96, but this was reduced to 98 pence in 1982 when Refuge had a one-for-one bonus share issue.)

This means that an employee who chose to save the minimum monthly contribution of £10 a month paid only £600, plus the five-year bonus of £180, for 795 shares which at the end of the five years were worth £3,203.85, following a rise in the share price to £4.03. Employees of Allied Textiles, whose scheme with the Yorkshire matured in April of this year, made a gain of 792 per cent—equivalent to an annual return on savings of 77 per cent on their savings.

As John Myles, Yorkshire's Manchester District manager puts it, it has been a case of "Heads you win, tails you can't lose." If the share price goes up employees can buy shares at a very good price, and if they drop they can let their share option lapse and take out their savings, plus bonus.

There have been even more spectacular returns for employees of some big companies and multinationals. For example Tesco's share option scheme, launched in 1981 in conjunction with the Abbey National, will mature later this year. An employee who invested £50 a month when the share option price was 48 pence is sitting on a potential gain of as much as 1032 per cent—£1,000 on the current market price of just over £4, (assuming that the share price does not drop sharply between now and maturity). Similarly, an ICI employee who set aside £50 each month stands to make a gain of 407 per cent or £13,000.

The most spectacular return on any scheme operated in conjunction with the Halifax building society is Booker McConnell's, where employees investing £50 a month made as much as £23,544 profit, buying at the share option price of 55p. The market price was £3.50 as its first scheme matured earlier this year. This represents a gain of 784 per cent. BP employees made over £3,058, representing a gain of 302 per cent. The share option price in 1981 was £2.76p compared with a market price of £6.76 when its first scheme matured.

Such are the bumper returns to be made by those who entered the schemes when they were first introduced, and who opted for the five year term. Whether those who opted for the seven year term, and others who started contributing to schemes more recently do as well will, of course, depend on the future performance of the stock market.

Generally speaking, if the market price at maturity is above the option price the option should be exercised even if the appreciation is not very great. Employees then have the choice of selling the shares if they need the cash immediately, or of hanging on until the share price moves higher. When the shares are sold they are taxed as capital gains at 30 per cent—rather than income, when they would be taxed at anything up to the top marginal rate of 60 per cent.

# Newsworthy!

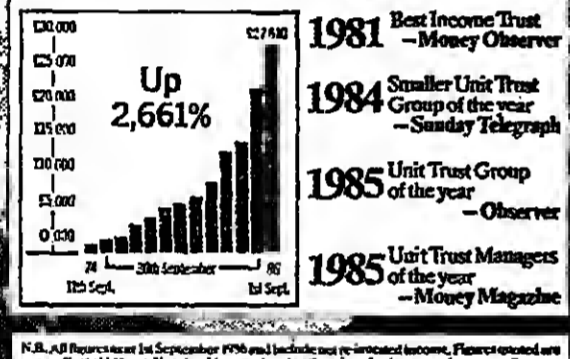
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**THE OBSERVER 15th Dec 85**

**Unit Trust form guide**  
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**THE TIMES 5th July 86**

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**MONEY MAGAZINE August 86**

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## Storms ahead

THE present weakness of the stock market is likely to continue until the end of the year, but 1987 will prove to be very bullish indeed. That is the prediction of astrologer Daniel Pallant, of Commodity Consultants, who analyses planetary influences on the market.

THE DECLINE in the stock market was anticipated in my article of May 24 when the "Astrotrade" co-efficient graph showed a fall well into October. The Astrotrade co-efficients are the result of a computer study of planetary effects on share price movements, based on the history of the Financial Times Index from its inception in July 1933.

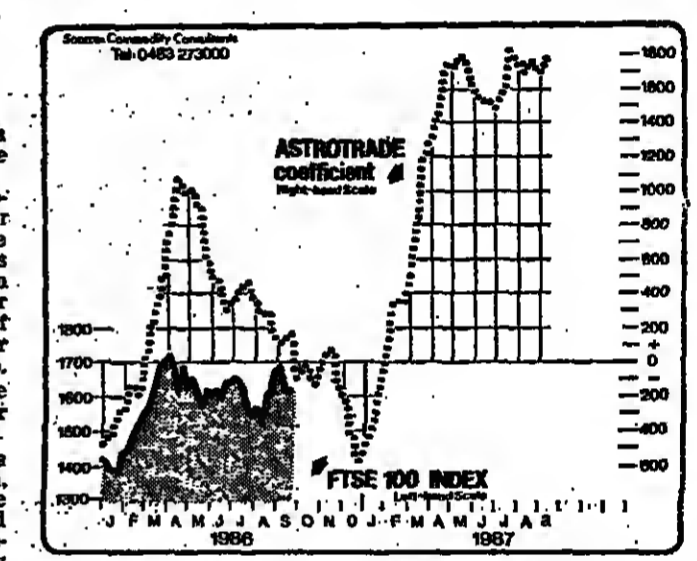
The generally downwards direction of share prices predicted in May has been fulfilled, with the apparent exception of the rally from August 11. The co-efficients show a sideways movement which would indicate a rally of some kind, but the strength of the market surprised me. That is until Wednesday September 10 and the following two days, when a large part of the upwards move was wiped out.

From a study of the Astrotrade technique with other indices and commodities I have learned in the end it always wins, and anomalies are soon corrected. Their particular strength is in the indication of medium term trends, that is for periods of six months or so.

I am still convinced that the market will remain under pressure for some time yet.

In view of the fact that the Big Bang is about to happen, we should consider what the market is likely to do then and into 1987. The Astrotrade co-efficients can be calculated by computer well into the future, because they are independent of recent price action and are based on a profile built up from 50 years' data.

I have produced figures up to November 1987, and they make interesting reading. It appears that during October 1986 the market will rally into November, but then a period of gloom will ensue into December, with some fierce shake-outs. In fact the coefficients



drop to a low of -550, which is sharply bearish. But December will see the last of the bearishness before the explosive bull market of 1987. Next year the Astrotrade coefficients are bullish well into May, but whereas there was a bear market from April 1986, any bearishness in 1987, will be short-lived and will probably appear as only a sideways distribution. At the height of the coefficients this year they reached to about 1,000, but in November 1987 they go to 2,000.

As an astrologer, I have an interest in the observable effects discovered by the computer, and next year Saturn and Uranus approach conjunction in Sagittarius. They are the celestial equivalent of the large rock or the approaching storm, and I think that the recent increase in market volatility is a forerunner of some very big waves indeed.

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Richard Tomkins provides food for thought on this week's big issue

# TSB is floating free

THE TRUSTEES' Savings Bank flotation seems set to prove that there is, after all, such a thing as a free lunch. Better than free, in fact: all the signs are that the shares will go to a handsome premium when dealings begin, so investors will actually be paid to sit at TSB's table.

As Wednesday's deadline for applications approaches, however, two great imperponderables remain: One is how to obtain the largest possible portion of the meal, and the other is how great the reward will be for partaking of it.

First, just how difficult is it going to be to get hold of shares in the TSB? Using the response to the British Tele-

com offer two years ago as an example, you can play with a few numbers and come up with an over-subscription rate of perhaps 10 to 20 times. But this does not necessarily mean that anyone need miss out on the offer: it is all a question of what category of investor you are and what strategy you adopt.

Nearly 1.5bn shares are being offered at 100p a share, of which 50p is paid now and the balance in a year's time. Half of the shares have been

reserved for preferential applicants — employees of the bank and depositors who registered before the deadline, who have special pink application forms — and the rest for the public and the institutions.

Of the pink half of the cake, 10 per cent has been reserved for TSB's staff of 26,000. These people will be laughing all the way to their place of employment for with 75m shares between them, they stand to be allocated nearly 3,000 each. Given that many of them will apply for fewer than that or none at all, all employees seem likely to get as many shares as they want up to the pink form limit of 10,000.

The rest of the pink half is reserved for registered depositors. These people think themselves among the favoured few but, in fact, they are not particularly well placed: some 2m of them could apply for 675m shares, so they stand to obtain an average of fewer than 350 each.

True, many of the 2m will not in the end apply for shares, but even an improbably high fall-out rate of 50 per cent would leave the rest with an average of only 675 shares each. The best strategy for these investors, therefore, seem to be

to apply for a modest number of shares on the pink form and use the rest of their funds to take pot luck on a white application form, which they are entitled to do.

The white half of the cake will certainly be subscribed heavily and some form of rationing is inevitable.

Small investors are bound to be favoured. The TSB has said all along that its issue will be geared towards the wider public, and it also sees small shareholders as potential customers. At the same time, however, it will have to keep the important institutions sweet, which it will probably achieve by allocating anything up to 20 per cent of the total issue to major applicants at the top of the scale.

Although small investors stand to do comparatively well in the allocation, they have to make a tricky judgment over how best to pitch their bid. Suppose, for example, you go for £20,000 worth of shares (that is, 40,000 at 50p) but are allocated only 1,000. If these went to a 60 per cent premium they would yield a profit of £300, but the cost of borrowing that £20,000 for withdrawing it from a high interest account for three weeks or so, could well

reach £200. Thus, by the time you had covered your bank charges and dealing costs, your profits would be negligible.

It seems highly likely that the smaller the application, the higher the proportion that will be granted. The safest strategy, then, is to spread your investment among as many members of the family as possible (including children—see note 3 on the application form) and to set a maximum limit on each application of, say, £5,000—the maximum stake that will qualify for the loyalty bonus in three years' time.

However, just how high is the premium going to be when dealings begin? Probably not as great as the wider optimism imagines: the grey market price of 108p-109p being quoted this week (remember that the 100p shares are only 50p paid) was regarded in the City as crazy.

The consensus view seems to be that a 20p premium to the offer price would put the TSB on a rating, yield and discount to net asset value which rated it fairly against the other UK clearing banks, but most expect the excitement over the issue and the scarcity factor to add another 10p to 20p to the price, at least initially. Given that only 50p has to be laid out for every 100p share, that means a total premium of perhaps 60 per cent to 80 per cent. Small wonder that it is going to be heavily chased.

## TIMETABLE

Monday September 22	Last safe day for first-class posting of completed application forms.
Tuesday September 23	Last day for handing in completed application forms into TSB branches.
Wednesday September 24	Offer closes. The deadline for handing in completed application forms to specified receiving banks in London and Edinburgh is 10 am.
Monday September 29	Allocation due to be announced.
Tuesday October 7	Letters of acceptance due to be posted.
Wednesday October 8	Stock Exchange dealings due to begin.

## Trusty funds

AMID the howler-busted razzmatazz of the TSB flotation, a group's unit trusts have not had much of a look-in. The TSB name does not conjure up league-bating performances, nor is it meant to. The unit trust group's investment policy is a successful application of the maxim: "low risk without implying low performance."

Good, solid, all-round performance without being top of the table in a suspect policy in some hands. It has been used as a justification for mediocre results. The TSB, as the table shows, has made a success of it. Of the 20 results listed, eight show the fund in the top third of its sector and a further six are in the top quartile.

The group might not be as familiar to investors as Henderson, Schroder or Britannia, but according to Planned Savings figures on July 1 it is bigger than any of the three in terms of funds under management. It now manages almost £1.1bn in its 10 unit trusts alone, and claims to be the country's biggest producer of unit-linked life business on a premium income basis.

investor, who is bewildered by choice and does not want a high-risk fund. Michael Pearce, executive director of TSB Investment Management, which oversees nine of the 10 trusts, sees the original three funds as this investor's "way into the equity market."

The TSB's generalist (as opposed to "favour of the month") approach removes the need for frequent new launches to "swell funds under management. Nor does the group go for advertising which highlights performance—a method which, as Ramsay rather tartly points out, is susceptible to distortion.

Ramsay cannot see the TSB ever running a number of tiny specialist funds, apart from not fitting in with the group philosophy, the idea is simply not cost-effective. He does, however, envisage a modest degree of expansion over the next two years, with the number of funds rising to, perhaps, 15.

One investment strategy has been to boost performance among funds in the UK sectors by spicing them with some international holdings. This has benefited the "General" trust, which has had a significant European element in recent times. The Selected Opportunities trust has invested as much as 20 per cent in Europe in April this year, and has also had holdings in Japan.

The income trust has the best long-term performance record in our table which Pearce puts down to "reading the oil market well and getting other important sectors more right than wrong, as well as a move into Europe."

With some huge funds under management — TSB General is the industry's largest — does Pearce regard size as a problem? He agrees that this used

## TSB UNIT TRUSTS

Fund performance to September 1 1986, offer to bid, income reinvested  
Figures show: % growth (sector ranking/ number of trusts in sector) sector average

	1 year	3 years	5 years
General	27.6 (24/ 88)	25.1 (60/ 74)	84.7 (45/ 68)
Income	27.4 (26/ 88)	25.1 (61/ 74)	84.7 (46/ 68)
Selected Opportunities	35.0 (25/121)	28.4 (61/ 5)	77.8
Extra Income	35.3 (16/103)	30.3 (26/ 71)	102.5
Gift and Fixed Interest	9.7 (12/ 43)	8.3 (29/ 35)	29.9
International	42.6 (32/ 95)	34.6 (23/ 69)	56.8
American	24.7 (19/ 81)	15.9 (41/ 2)	23.5
Pacific	61.0 (27/ 51)	55.0 (17/ 26)	74.5
National Resources	-2.5 (10/ 23)	-7.4	-

Source: Money Management.

to be a worry in past years; but with the opening up of a wider "basket of opportunity" in the stock market's recent frenzy of large new issues, he does not at present see it as a stumbling block.

An income fund is affected in this respect more than most, in that the number of companies offering a high-enough yield, and of sufficient size for the trust to take a realistic holding, is limited. The investment style dictates the adoption of a "hard core" portfolio of long-term holdings and a long-term view of market sectors.

According to some research it undertook this summer comparing its own performance with that of other groups, the TSB found it had 89 per cent of funds which were above the average for their sector. The body other group to equal this among the 10 largest was Mercury. Apart from this, the nearest rival was M&G, with 48 per cent of funds above the average.

Looking at other groups with high percentages above the average, the names which appear are those of smaller groups operating trusts that are tiddlers compared with the TSB. This, feels Pearce, reinforces the value of his own group's record. After all, "You can't manage a big fund."

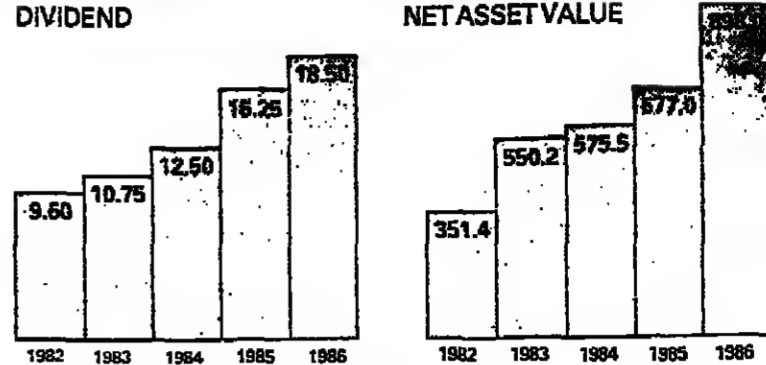
Christine Stopp

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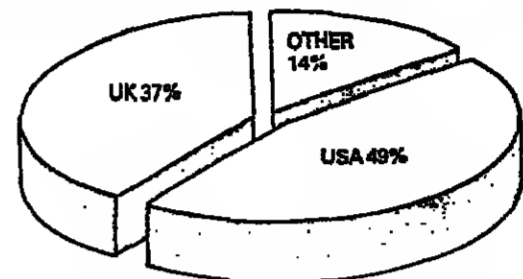
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**FINANCE & THE FAMILY**

Mary Scott on some pitfalls of private medicine

# Shocked by a bill

"HELLO, I'm Michael. I'm your receptionist patient services." A slim young man in button-down American shirt and immaculately fitting trousers picked up my bag and wove his way through the glistening rubber plants and clumps of anxious Arabs. I followed weakly.

Upstairs, he proudly showed me my room, complete with large bathroom, television and an invitation from Harrods to order anything I wanted. Another advertisement offered a choice of videos—English or Arabic.

It could have been any international hotel. But this was the Cromwell Private Hospital in London—the mid-point of a tour of hospitals which, in five painful months, took me through the full spectrum of health care, and which, in spite of private insurance contributions, cost me about £800.

My doctor had warned me that the Cromwell was expensive. You could see why. There was every kind of gadget. Press a button and a nurse appears on your television screen, inquiring whether she can help you. She can hear what you say, but she can't see you. I suppose that's because Cromwell patients like their privacy.

I was in for one night. But some patients like it so much they treat it as a hotel. Next door, in a suite that couldn't have cost less than £500 a night, was an Arab girl who, every time, it was suggested she should go home, manifested a new symptom.

My room was less expensive — £225 a day. The maximum room rate under my insurance, WPA, was £185. But because the Cromwell wants to attract patients on insurance schemes, it waived the extra. WPA footed the bill of £114 for the three units of blood I needed, and I escaped with only my telephone bill to pay.

For anyone with a guilt complex about private medicine, the opulence of the Cromwell is unnerving. Far more reassuring is the Nuffield wing of Guy's where I started my trip. A porter lay asleep in the waiting room, and upstairs in my room the paint was peeling as in thousands of NHS wards. In the bathroom, 20 yards down the corridor, there was a large damp patch. But you did feel that in an emergency dozens of doctors would be around.

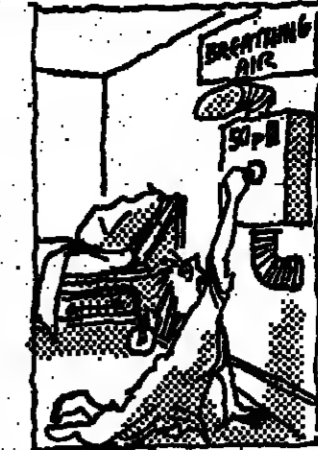
The big advantage of private medicine, it is said, is the NHS waiting list for the routine gynaecological test could be nine months. I had mine within days.

The bill for two nights, plus what's termed an "intermediate operation" was £446, which WPA paid. The prescription I was given to take home, though, was not. That was £90 for three months' pills.

Unfortunately, the pills didn't work. A month later I was rushed haemorrhaging into hospital. As the ambulance sped through Slough, I remember thinking that I would now find out about the crisis in the health service. But, as it happened, the gynaecological ward of the Wexham Park hospital where I was taken is a gleaming monument to capital spending. The only obvious effect of the cuts was lack of blankets. In freezing February I had only one and a nurse had to go foraging in the middle of the night for more.

The nurses were efficient, particularly the sister who gave the impression she could do all the doctors' jobs and her own without creating her uniform. The patients seemed to be benefiting from the kind of rivalry she encouraged: "Mrs X has been to the lavatory twice today. What do you mean you can't get out of bed?"

I was an embarrassment to the Wexham as my surgeon was in London. I was sent back to him. He sent me for more tests. His rooms were discreet,



At first I enjoyed my privacy. But after a few days, I began to get depressed, and was conscious that the NHS patients in the neighbouring ward seemed to be progressing faster. So I wandered into their ward. I was greeted with cries of "Miss Posh," but wind is a great leveller, and after a few minutes we were exchanging the kind of intimate information you would normally tell only your best friend.

After that, egged on by the other patients, I improved. After ten days I was discharged, a fully paid-up supporter of the Friends of Chelsea Women's Hospital. But the bill was shock. WPA paid the room rate of £191 a day. But my surgeon's bill (including the anaesthetist) came to £1,113. Even though I was paying maximum contributions of £17.55 a month for "London cover," WPA have a ceiling on "major operations" of £540.

I had to pay out £588. On top of that, there was another £100 for drugs once I got home, plus visits to my GP which aren't covered by private insurance.

I am now fully recovered, and very grateful to my surgeon who left me with far more of my insides than I expected. But the whole episode cost me around £900; a salutary warning to anyone who thinks that, by taking out maximum insurance, they will get free health care. Even so, I have just agreed to increase my WPA contributions to £20.20 a month. Costs, they say are going up all the time.

## Know your limits

THE table at right shows the maximum benefits paid by the three leading health insurers for surgical and anaesthetic fees to patients having operations at London hospitals. All three claim that their ceilings in each category will cover all costs in virtually all cases. BUPA, for instance, says that only some 2 to 3 per cent of claims fall outside its limits.

The claims department of WPA, with which Mary Scott was insured, says that of the 3,000-odd claims it handles each week, "only about half a dozen" exceed the ceilings.

According to the insurers, once surgeons know a patient subscribes to a medical insurance scheme, they fix their fees accordingly, knowing full well what the ceilings are in each case. In this respect, the medical profession is not too different from the motor repair trade. And, as with any other form of insurance, the benefit ceilings are based on past claims experience and after discussion with doctors and the consultants' committee of the British Medical Association (BMA).

However, the insurers acknowledge that there are exceptions who charge fees far higher than the norm, even for the London area. Often, although not always, these are leading surgeons in their particular field. In some cases the surgeons would appear to be both greedy and cynical. The WPA cited one who consistently charges 600 guineas (yes guineas!) for an intermediate operation for which its maximum benefit is £300. Others charge above the benefit rates "if they feel the patient can afford it."

The WPA said each of its claims was handled on its particular merits; not surprisingly, it would not discuss the particular case where the bill was more than double its ceiling rate.

Like Ms Scott, most people who are paying the top London subscription-scale assume they

## MAXIMUM BENEFITS AT LONDON HOSPITALS

Operation	WPA	EUPA	PPP(1)	PPP(2)
Minor	160	156	160	Most expensive London hospitals plan
Intermediate	310	306	325	Full refund
Major	540	533	523	Full refund
Major plus/extra	665	661	650	Full refund
Complex/Complex major	—	919	Full refund	Full refund

ANNUAL SUBSCRIPTIONS—basic rates without allowing for various discounts, etc

Single, aged 25	Married couple, both aged 40 + 2 children	Married couple, aged 55 no children
303.95†	347.16	295.20
554.70†	638.56	579.60
923.20†	997.88	871.20
		1,438.80

† Additional £1,300 available for "major" operations involving special techniques/teamwork. † From October 1, 1986.

will be covered fully for any operation. But as her experience shows, this is not necessarily so. (Drugs that have to be taken after leaving hospital, and visits to GPs, are not usually covered by medical insurance although this usually is made clear in the insurers' brochures.)

Clearly, the only way of avoiding the nasty financial shock Ms Scott experienced would be to subscribe to the PPP Plan A which gives you a full refund, whatever the amount charged.

However, such cover costs a premium of 65 per cent above the normal London subscription scale.

Had Ms Scott been a member of a WPA company scheme where her employer paid her subscriptions, she would have been eligible for a full refund on all operation categories.

All three major insurers emphasise that anyone knowing they must have an operation should ask the surgeon about its nature and the fees to be charged. Then, they should check with their insurer to see if they are covered in full for this amount.

Insurers will supply a list detailing the operations that fall into each category. If your operation turns out to be more serious than originally thought, there should be no problem about receiving benefit in a higher category.

Margaret Hughes

## Week-end Business

# Looking for corporate partners?

Among its many merchant banking services, Singer & Friedlander has for many years operated a Register for companies who want to sell, merge with suitable partners, or dispose of subsidiaries that do not fit.

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# Doubt over flats

I live in a block of maisonettes which is run by a management company. Each of the 21 leasees holds a "share" in the management company and thus elects the board of directors which runs the company. The company is required to carry out the management of the block in accordance with the terms and conditions laid down in the lease.

I am not satisfied that the company is being run in an efficient or legal manner. The directors seem to consider meeting the requirements of UK company law as an "option" which they do not necessarily need to do, although the company is a limited one. Also, the directors are unwilling to take professional advice to ensure that all necessary repairs are being done, even though most of the directors is experienced in building matters and no managing agents are employed. I have tried talking to the directors but without any improvement.

What actions should I take to ensure that if I suffer a financial loss due to the way the company is being administered by the directors I am able to sue for compensation?

Who would I take action against—the company or the directors personally?

Your claim would be against the company, not against the directors personally, although if the company were to go into liquidation a misfeasance summons could be issued against the directors if they had wilfully involved the company in unnecessary liability. It by no means follows, however, that you will have a cause of action against the company just because you might have suffered a loss. You should ensure that all your requests to the company or its board to comply with their obligations are fully recorded in writing, and that the replies are similarly recorded.

# Canadian equities

From 1966 to 1971 I lived and worked in Kenya and Botswana. During this period I purchased some Canadian equities. Some of these I may now wish to sell. I have a query regarding capital gains tax which I understand dates from April 5 1965.

For the purpose of CGT is the cost of a share (a) what I bought it for on March 5 1965 or (b) the market price obtaining as March 5 1965 or (c) the market price on the day I took up residence in the UK in 1971? Provided that the shares were quoted on a Canadian stock exchange on April 6 1965 (or in

# Fiancée rebuffed

I note that you frequently have letters dealing with covenants. In April 1984 I made out such a deed to my Thai fiancée who is a UK resident for tax purposes, because her requirements were for her personal expenditure. I paid her monthly in cash since she did not want to use a bank as her English was also a little limited. She did not work and had no other income apart from occasional gifts from her family. The Inland Revenue is now refusing her a repayment of tax because she has no evidence of the payment. Do you have any suggestions — would a sworn affidavit be acceptable perhaps?

First, your fiancée should promptly write to the tax office, saying that she has consulted the Financial Times and has been advised to give notice of appeal against the refusal of her claim for 1984-85 (in accordance with section 42 (3) of the Taxes Management Act 1970). She could also ask for a copy of the 1984-85 tax return. The letter giving notice of appeal should, if possible, be posted within 30 days of the day on which you received the inspector's letter dated August 11: if she cannot meet that time limit, she should give a brief explanation for the delay (e.g. that she had to wait three weeks for a reply from the FT's free advisory service).

For the benefit of other taxpayers who cannot afford professional advice (but who do not read the FT), you may like to send a copy of the inspector's August 11 letter to the Secretary, Council on Tribunals, 20, Kingsway, London WC2B 6LE. You could suggest that the Council ask the Inland Revenue to arrange that letters rejecting claims should explain that there is a procedure for appealing against the rejection (and that free pamphlets are available from tax offices and from the Special Commissioners' office).

It is a pity that you did not send a copy of the deed of covenant, because the papers are a little contradictory as to the precise terms. In your letter to us, you say that the deed was made in April 1984, but the



the preceding six years), the answer is either:

(a) The original cost, translated to sterling at the rate of exchange on the day of the purchase contract; or

(b) The market value on April 6 1965, translated at that day's exchange rate; whichever be the higher.

This is a slight oversimplification of the complex rules, but it will probably suffice for practical purposes. Please come back to us, with more precise data, if you need.

# Tenancy in common

My wife and I have changed the ownership of our house from "joint tenancy" to "tenancy in common." If we later incorporate into our wills a provision that our half of the house is left to our daughter, what is the inheritance tax situation when one of us dies? Will the survivor (and part owner) be able to live in the house rent free or will there be a rent payable to our daughter to avoid inheritance tax? The survivor will not need to pay rent, but can occupy in right of her or his own half share. There should be no benefit reserved to the donor, since the gift only takes effect on death.

# Bonus issues

I bought some shares in a Japanese company in September 1980, and more in 12/84, 1/85 and 10/85, and since I am considering selling, am trying to unravel the position as regards CGT. From the Allied Dumber Tax Guide I learn of pre-and post-4/84 pooling and the application of the RPI Index as an allowance. And from a Weekend FT article by David Cohen I learn that the applicable exchange rate is the one prevailing at the time. But my question concerns bonus issues, of which I have enjoyed no less than six, occurring both before and after 31/3/82. Are all of these gratis shares considered for purposes of CGT as having been bought when the original shares were bought (as the Tax Guide 88-86, para. 1828 implies)?

Yes, this is in fact a point which has been explained in answers published in our Briefcase column. You therefore have two pools of shares: an old pool, containing the 1980 purchase and the resulting shares, and a new pool (containing the remainder) pool containing the remainder of the 1984 (in the second line of your second paragraph) is presumably a typing error: old pools do not contain shares with deemed acquisition dates after April 5 1982.

# House now a farm

I inherited in 1966 a large Victorian house with stables, barns, gardens, orchard, lawns in all about 5 acres, which was valued residential for death duties. I have used it for my own enjoyment and pleasure, for the last 20 years, and I have not carried on any business. However, the Council in their structural plan have stated that my property is a farm, use agricultural, and that they have just made it available for development.

If I have to sell my property, can I get the Inspector of Taxes to confirm, before I sell, that I shall not be liable to any Capital Gains Tax?

No. The solicitor and estate agent who act for you in the sale will be able to guide you through the CGT maze — or at least to put you in touch with a firm who can do so. The tax inspector will only start to consider your tax position after the sale has taken place; in the meantime, however, you could ask him for a free pamphlet CGTA (Owner-occupied houses).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be treated by post as soon as possible.

# David Brown on West Germany's fascination with scrippopholy

## Paper-chase with profits

FOR A country that historically is suspicious of high finance and certainly not given to playing the stock and bond markets, the West Germans have seized on a new hobby with unusual enthusiasm.

Collecting old bond and share certificates—often issued by one of those defunct companies or regimes that feature in the rogues' gallery of history—has in only a few years gained a sizeable following.

The market has developed at roughly the same time as private investors begin to lose their traditional scepticism—rooted in the pre-war years of hyper-inflation and the collapse of the German currency—and dip their toes, albeit carefully, into the stock markets.

The number of German collectors has rocketed from a mere handful only a decade ago to many thousands today. Publications and shops have sprung up around the country dedicated to the pursuit of what is rather inelegantly termed "scrippopholy."

Bond and Share, a specialist magazine founded by one of the hobby's earliest aficionados, William Kuhlman, now claims a worldwide circulation of 25,000 with 10,000 readers in West Germany, 10,000 in the US and the rest in the UK and Hong Kong.

Today, there is enough demand for it to be possible

in Germany to pay more than the face value and accumulated interest on certain certificates which, not long ago, were considered virtually worthless. The often elaborately engraved limited-edition securities issued under, say, the Weimar Republic, the Confederate states of America, Imperia Russia and China are among the more popular of these.

In the case of the latter two, the chance of repayment also can add to the perceived value of bonds. There was the recent settlement with Mos-

cow of claims dating back to tsarist times, while negotiations between London and Beijing have raised hopes (although not for the first time) that there could be a profitable outcome.

Several years of speculation in Chinese bonds late in the 1970s pushed up the price of some shares (such as the Anglo-French loan of 1968) to as much as 1,00 per cent of face value. Turnover jumped from several thousand pounds to more than a million in 1979 before the bottom fell

out of the market in 1982. It is now recovering.

To the initiated, bond and share certificates demonstrate a high degree of skill in the typographical craft with copper or steel engravings printed on banknote-quality paper. Some also bear famous signatures, or have other special artistic or historical interest.

Proponents say that because most were printed in relatively smaller runs than banknotes and stamps, there is a higher potential increase in value for

old scrip. In theory, there is an objective valuation system in scrippopholy based on rarity, condition, and chance of repayment. In practice, these values have tended to fluctuate wildly.

Bonds and share certificates were first "discovered" as "currency-denominated collectibles" in the mid-1970s. According to most accounts, it began with a few dozen "hard core" collectors in Switzerland and Germany, whose attention was focused mainly on old American railroad shares and on Chinese bonds.

The first list to quote Chinese bonds was mailed by a Swiss dealer in the winter of 1973-74. It was aimed largely at the "decorative framing market" and, to a lesser extent, a small core of collectors.

Today, Germany has become the collectors' centre for the scrip that recalls the triumphs and follies of an earlier time.

charge on top of the usual 4 per cent charge by the financial institutions — another reason why its investment performance has to be top of class.

What can Save and Invest offer an investor over and above that offered by a life company managed fund? First, it claims to be much more flexible, in moving from one fund to another, than a large sized managed fund could ever hope to be. Second, it offers a "personalised" service through its investment shops (more are planned in the next two years). Investors appreciate this.

The minimum investment is £1,000 and there are substantial pre-launch bonuses before the official launch on November 19.

Eric Short

# 'Broker' funds pose dangers

UNIT TRUSTS and unit-linked life bonds have brought equity investment to the general public at a comparatively low outlay with minimum fuss. They have also enabled investment advisers and financial planners to offer "own brand" investment funds to the public, using the various funds offered by life companies.

Financial planners take strategic decisions on which type of investment — equity, property, fixed-interest or cash — and switch between them according to the investment assessment. The life company handles the tactical side in running the various funds. The provision of such "broker" funds is now an important marketing outlet for many life companies.

But there are dangers. Tho-

use of life company funds conveys a degree of respectability and expertise upon an adviser, which may not be justified. And the security question has been thrown into sharp relief by the winding up of the Canterbury-based McDonald Wheeler.

It would seem brave—or foolhardy, for a small investment company to launch another broker fund while the McDonald Wheeler saga was still fresh in the public's mind, and before the financial services legislation comes into force. Yet this is what the Glasgow-based investment company,

Save and Invest has done this week with the launch of its Scottish Managed Fund.

Save and Invest was established nearly two years ago by Jeffrey Deans and Mary Marsh as an investment shop in Hope Street, Glasgow. Over £20m has been invested on behalf of clients, using all available investment vehicles. Now Save and Invest feels it is the right time to launch into the broker fund market.

The fund is being underwritten by the Life Association of Scotland—a Scottish life company. LAS would stand behind a failure, so it will have

checked that Save and Invest operates separately client accounts.

Save and Invest has assembled a panel of six other Scottish life companies and financial institutions besides LAS: Standard Life, Scottish Widows, Scottish Equitable, Bailie Gifford, Murray Johnstone and Scottish Unit Managers.

The Scottish Managed Fund will invest in the unit trusts managed by these companies together with the linked life funds from LAS, switching between the funds in line with the manager's view of the market.

How can an individual investor assess the expertise of Save and Invest?

Until a track record has been established, investors will have to rely on the fact that Save and Invest has access to a pool of investment advice—from the consortium. Second, investors have a right to switch into the managed fund run by LAS. So, it is up to Save and Invest to outperform the LAS managed fund.

Looking to costs, the initial charge is the standard 5 per cent. However, Save and Invest imposes a 4 per cent annual

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**THE ORIENTAL OVERVIEW**

The last decade or so has seen significant shifts in world trade patterns from trans-Atlantic to trans-Pacific. This has been due to the combination of lower costs, well-educated and hard-working labour forces, innovative and entrepreneurial flair and largely pro-business governments.

However, gains from Far Eastern stock markets, especially Japan, have come from capital appreciation, and not income, since dividends in Japan, for example, are low. The dividend yield in the Tokyo stockmarket is only 0.5% compared with over 4% in, say, London.

In the last few years though, an increasing number of Japanese companies have issued Convertible Bonds, allowing investors access to capital appreciation of the underlying equity, while earning income from the coupon of the bond. The bonds allow investors to convert into common shares at a predetermined price.

Warrant bonds allow the warrant holder the right to subscribe to a certain number of shares at a given price, rather like a long-term option, though issued by the company itself.

**EXCELLENT OPPORTUNITIES FROM SAMURAI BONDS AND EURO-YEN**

With yields of 6% and more being available, Japanese Government Bonds, Samurai Bonds and Euro-Yen Bonds offer an excellent risk/reward profile, while allowing investors to participate in a potent aspect of the economy of "Japan Inc," the Yen.

Elsewhere in the region, dividend yields tend to be significantly higher than in Japan. Currently attractive yields are found in high-quality companies in Hong Kong, Singapore and in other Asian countries.

Since the economies of most of these countries are loosely pegged to the US Dollar, they are major beneficiaries of the problems of Yen strength for the Japanese economy.

**THE CONSTRUCTION OF THE PORTFOLIO**

Investors are reminded that the price of units and the income from them, can go down as well as up.

With this in mind, Thornton have considered five major factors in the strategy for the new Oriental Income Trust.

- The optimum balance between the vehicles employed in achieving a high yield—straight bonds, convertible bonds, warrant bonds, high-yielding equities and cash.
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  - The technical selection of the best available instruments from the point of view of liquidity, parity, running yield and yield to maturity.
  - The most appropriate balance of currency from the investor's point of view.
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**GENERAL INFORMATION**

Units are dealt in daily and the prices and the yields are published in the Financial Times and the Times.

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An initial charge of 5% is included in the offer price of units (current maximum 6%). An annual charge of 1.25% plus VAT of the value of the Trust is deducted monthly from gross income (current maximum 2%). Remuneration will be paid to authorised advisors by the Managers and rates are available on request.

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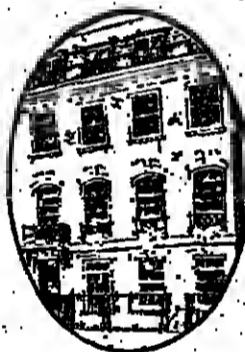
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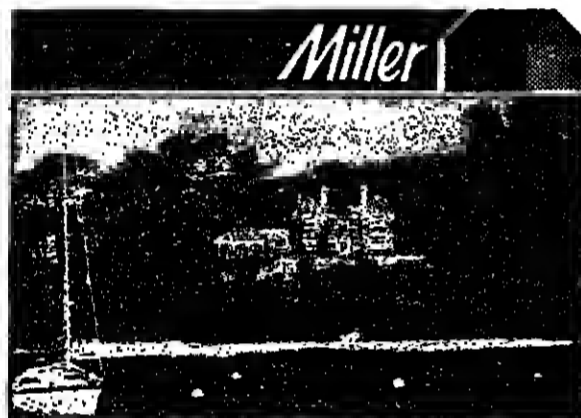
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# SAVILLS

Autumn Edition 1986, Number 15.

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## PROPERTY

# Pure speculation is the rule

THE BEST newly-converted flats in London have just come on to the market. Confident messages to that effect come from an army of agents marketing a positively bewildering array of luxury apartments. They are all immaculately finished, all close to whatever central London location appeals to you, and they are on, or about to come on to, the market following completion of developments started of the height of the surge in central London prices in 1984.

The phrase "buyer's market" springs to mind, yet asking prices show no evident signs of weakening. Maybe demand still exceeds supply for such flats in London, or agents may be unwilling to admit to sales at less than asking prices, or developers are holding out for the prices they need to cover their financing costs.

Picking any one such explanation would make a catchy headline. But the fact is that no one can do more than make an educated guess about the strength of present prices, because, as developer Richard Balfour-Lynn says, "it is such an unprofessional market."

If your primary interest is in buying a property to live in, that lack of professionalism is a matter of indifference. The important factors then are largely subjective—whether you like

the place at the price or not. On that basis there is no doubt that because of fierce development competition, the current crop of new flat conversions are to a standard that would have been regarded as almost excessively high a couple of years ago.

If, on the other hand, buying in London is as much to have an investment as a home, Balfour-Lynn's point could be critical. By anastrophic he means that, as an investment market, London residential property is about as well organized as a football riot.

Buyers can make a reasonable stab at picking a likely location—taking a view on whether Knightsbridge is ex-growth, or what the move of the Japanese school will do to Ealing values—but after that they are in the hands of the agency sales staffs. They have no reliable information on the number or timing of new luxury developments coming on to the London market. They will find no effective data on the current demand for rentals—let alone anything other than pure speculation on the likely future demand once the current crop of leases run out. They are looking at a market in which there is no relationship between the prices asked for apartments and their usable space, and where even the pricing advice of agents may

have been arbitrarily overruled by their clients. Balfour-Lynn chafes at this anarchic state of affairs because he is one of the newer breed of residential developers who apply strict financial controls to a business that has traditionally been carried on as a side-line by builders, individual estate agents and enthusiasts who feel they can spot a bargain and have a natural talent for interior decoration. Along with businessman William Broadbent, Balfour-Lynn set up Warwick Balfour-Lynn Properties at the beginning of 1983. Since then the company has carried out a steady stream of refurbishments, mainly in the £150,000 to £300,000 price range that appeals to companies as well as individual buyers.

He argues that, however attractive the mass of flats now on offer, "there are not a lot of quality developers around." He contrasts the average skin-deep conversion with the exhaustive attention to standards of design, quality of building work and finish in the properties Warwick Balfour-Lynn tackles. Of course, other residential developers say more or less the same about their own buildings. And so it is Warwick Balfour-Lynn's approach to the finance rather than the physical structure of its developments that helps to give some better

clues to the state of the London flat market.

Swiftly demolishing the hopes of amateur developers who read those do-it-yourself guides on how to make a fortune by doing up cheap old houses, Balfour-Lynn explains that there are no cheap old houses ripe for conversion. His company never buys property at auction, never goes to tender on purchases, and rarely if ever buys any properties that have come on to the open market. "By then it is too late," he says. It is too late in terms of price, because competing for a residential property in the open market puts Warwick Balfour-Lynn up against less figure-conscious developers who are willing to pay more, and willing to risk trying to sell a cheaper conversion or passing on the extra costs when it comes to setting the asking price.

Properties Warwick Balfour-Lynn does acquire come directly from the major London estates—which like to select the developers who work on their buildings, or which may want to do a joint scheme—and from agents who keep an eye open for likely properties in return for the chance to act on the sale of completed flats.

John Brennan

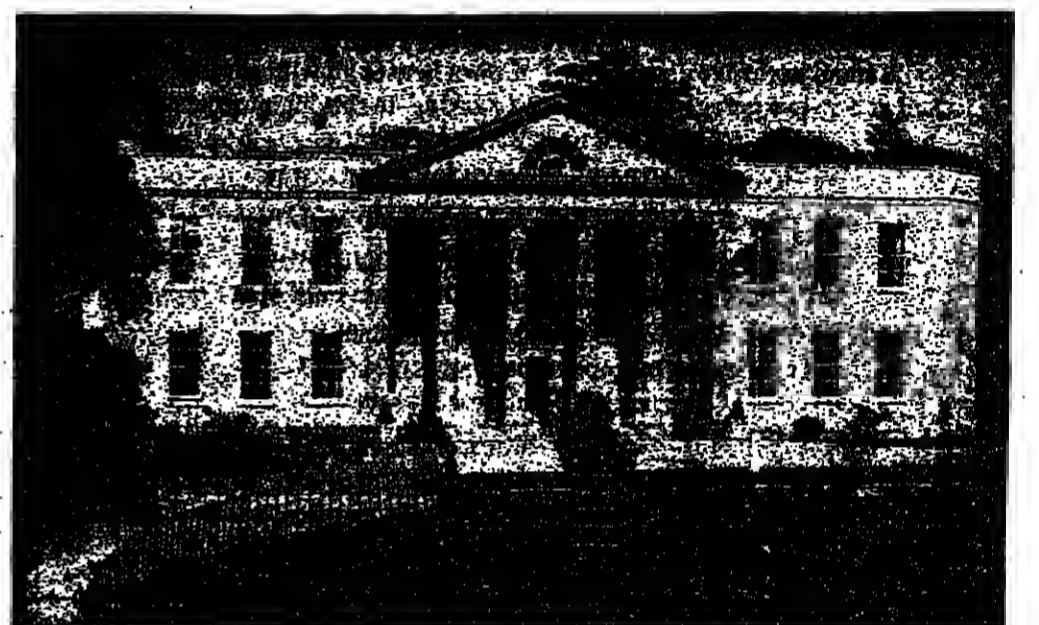


A semi-detached country cottage sounds like a contradiction in terms. But on the Meltingham Estate, 10 miles south of Ipswich with its 60 minute inner-city service to London's Liverpool Street Station, Savills Jack Lloyd Jones (0472 214541) has one that is "an attractive and challenging investment opportunity." That's the kind of phrase that sets warning bells ringing, but it's not as bad as it sounds. The "opportunity" lies in modernising and extending the 1940s property which, with two bedrooms and half an acre of garden, is being sold freehold for £42,500.



Above, built about 1860, the Old Farm, Givens Grove, Leatherhead, Surrey, has had a fair amount of money lavished on it in recent years. A Swedish log cabin with sauna and a kidney-shaped heated swimming pool have been slated

for the modernisation without diminishing the character. Offers around £499,500 are invited by the Esher office of Huxton & Sons, where Tim Garbett (0872 89411) has the keys to this six-bedroom property set in three acres



Above, Newtown Park, a restored 18th century country mansion in 25 acres of formal gardens, woodlands, paddocks and park near Lyndington, Hampshire, is to be sold freehold for a touch under a million pounds. It is in

striking distance of the Solent, and if the idea of a New Forest mansion appeals, Paul Jackson of Jackson & Jackson (0309 75625) is marketing the property with a price guide of £775,000.

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- Churchilton is the name of a new village at Sittingbourne, Kent. Priced from around £38,000, these colonial style homes, which are just 60 minutes from London Victoria, offer a choice and quality of life that perhaps some thought inaffordable.
- At Lynden Gate on Putney Heath, seventy 2 or 3 bedroom regency style houses enclose cobbled and garden squares. This is a gated and guarded development where freeholds are offered for sale at around £300,000.

For further details of these and other Royco developments contact: The Royco Corporation, Royco House, Liston Road, Marlow, Bucks. SL7 1BX. Telephone: Marlow (06284) 6922.

SAVILLS





# Home Heating

About £7bn a year is wasted by heat losses in warming homes throughout Britain. Elaine Williams looks at ways of cutting fuel bills by up to 20 per cent

## How to control bills

AS ENERGY Efficiency Year draws to its close, efforts to alert the public to the benefits of more energy-efficient homes have reached their peak. The Government's Money campaign has spent millions of pounds to tell householders of the £7bn wasted every year because Britons have failed to prevent heat leaving their homes through every draughty nook and cranny.

The campaign is run by the Energy Efficiency Office at the Department of Energy and this office has produced many leaflets which give advice on measures which can be taken to heat homes more efficiently and at lower cost. This could lead to cuts of about 20 per cent in the UK energy bill.

Home heating is the heaviest drain on domestic fuel consumption, accounting for about 35 per cent of the average fuel bill and the Government says that about 50 per cent of this portion could be saved if the public invested in a number of energy saving items.

In the past 10 years, for example, the technology behind home heating systems has improved sharply. Central heating boilers are generally more efficient and this coupled with electronic control systems to determine when and where heat is needed can account for a sizeable proportion of the total savings.

These controlled heating systems demand much more skill during installation to ensure that the boilers run at their maximum efficiencies and controls are effectively placed around the house.

By 1995 about 70 per cent of UK homes will have some form of central heating system. Newer installations will have the benefit of better boiler technology while systems of more than 10 years of age should

either be considered for replacement or be fitted with controls.

Preventing heat escaping once it has been produced is the major area where savings can be made. In the average uninsulated home 80 per cent of all heat loss disappears through walls and the roof. Yet government grants are available to cover a substantial part of the material and labour costs for houses qualifying for roof insulation grants. Loft insulation is also one of the easiest ways to save energy with a quick payback time.

To press home the importance of insulation, October has been designated Wall Insulation Month. This month-long campaign will be launched by Mr Peter Walker, Energy Secretary, on September 29 and is an opportunity for insulation materials manufacturers and installers to promote their business and the benefits of cavity wall insulation.

About one-third of all heat loss is through the walls, so in theory, householders have a great deal to gain in insulating this part of the house. According to the National Cavity Insulation Association about 5.5m homes out of the 20m homes in the UK suffer from condensation and dampness.

In some cases, cavity wall insulation can alleviate the problem but in any form of installation, the effectiveness of such measures depends heavily on the professionalism of the installers. Some forms of insulation gained a poor reputation because they were badly installed and sometimes applied to houses which were not suitable for that type of treatment.

The various insulation associations have tried to stamp out bad practices and members have codes of practice of which it is

important to be aware when considering wall insulation.

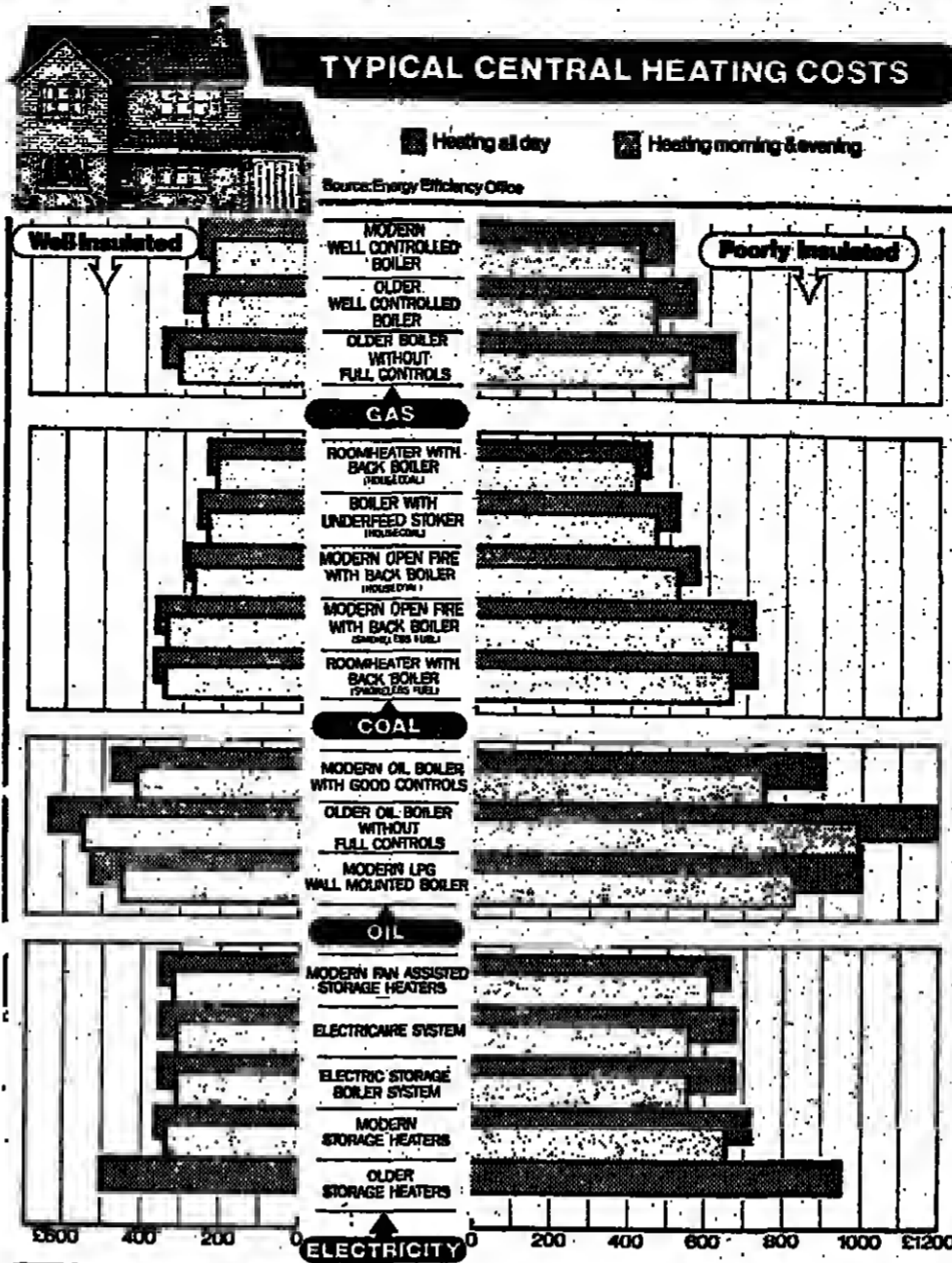
However, about 2m homes have cavity wall insulation which has resulted in annual fuel savings of about £150m.

The Government's campaign shows that simple measures such as draught proofing not only increases comfort by removing the odd cold spot but is also another way of saving on heating. But it also points out that other measures such as double glazing and other forms of insulation may not be economic unless factors such as the need to replace and repair windows, increased comfort and lower maintenance are taken into account along with the heat saving element.

Newer housing stock has benefited from upgrades in the Building Regulations which governs house construction in the UK. Present building techniques offer the choice of better insulated homes. To demonstrate this point Milton Keynes now has an exhibition of house designs which show what can be achieved with the right combination of good construction, energy conservation techniques and efficient heating systems.

Most existing buildings in Britain compare badly with their European counterparts and the organisers of the Milton Keynes park have developed an energy index to prove it.

The £50m Milton Keynes Energy Park opened at the end of August is a hopeful sign that new housing is better insulated and runs on more efficient home heating systems. More than 50 homes being built with existing construction techniques demonstrate that British homes can compete with some of the most energy efficient buildings found elsewhere in the world.



TRYING TO find definitive cost comparison for the main fuel sources is like trying to guess the winning combination for the football pools. Carefully chosen conditions mean that statistics from the oil companies and utilities tend to show each in a favourable light.

They are aided by the fact that assessing energy costs is not a simple matter. Any calculations require that certain factors be taken into account. Heating requirements vary according to the type of energy conservation measures installed and the local climate conditions (see diagram). Logically, householders in Scotland are likely to pay at least 20 per cent more than the average; while those living in the south-west of the country pay nearly 10 per cent less than the average.

fuel bill.

The Energy Efficiency Office has produced four brochures covering oil, gas, coal and electricity fired heating systems. It demonstrates the likely range of heating costs for 12 typical types of home from flats, to terraced, semi and detached houses of various ages. The EEO takes into account the various heating options for each fuel; the age of the installation and whether or not the dwelling is well insulated.

Taking a well-insulated large detached house of 140 sq metres in area as an example, the costs for heating vary from £270 to £305 for gas; £235-£250 for coal; £455 to £480 for electricity and £245 to £500 for oil on an annual basis. While looking at a smaller home such as a mid-floor flat with an overall

area of 61 sq metres all fuels are more competitive with the most expensive fuel likely to result in a yearly heating bill of £145 and the cheapest about £96.

As most homes already have some form of heating system, the question is more of "How much will I save in running costs by replacing my old system?" Again the answer is not easy. The Central Heating Energy Efficiency Confederation, which represents central heating manufacturers, has estimated in its study on energy savings through new or replacement systems that the country could save approximately 5 per cent of total domestic energy consumption. It has compared boilers of various ages (see table) and its calculations show that fuel savings for individuals can be 20 per cent or more.

### Potential for energy saving

(By replacement and upgrading of systems over 10 years old)

System	Age*	Saving—Therms per system	No. of systems	Total potential saving therms (m)
Gas	10-15 years	260	1,445,000	375
	15 years+	313	841,000	284
Oil	10-15 years	240	218,000	52
	15 years+	203	108,000	22
Solid fuel	10-15 years	174	228,000	49
	15 years+	174	273,000	47
				799

\* In 1984.

Source: Central Heating Energy Efficiency Confederation.

### Central heating boilers

## The quest for efficiency

BOILER manufacturers are faced with a fairly stagnant sales market. More than 55 per cent of 700,000 or so sales of boilers in the UK are replacement boilers so the energy efficiency drive is important to encourage a more householder to forsake their ageing central heating boilers for more efficient models.

In the past 10 years, gas has become the dominant form of central heating fuel in the UK. There are estimated to be about 10m gas central heating boilers, just under 2m electrically heated homes based on storage radiators and similar devices about 1.4m solid fuel based systems and just over half a million using oil.

With approaching 70 per cent of homes now having heating systems, many central heating boilers are becoming ripe for replacement as they are more than a decade old. These older boilers have been superseded by smaller and more efficient types.

In general, all types of domestic central heating systems based on boilers have become more efficient over the past 10 years. Gas boilers installed today would be expected to have an efficiency at full load of up to 80 per cent compared with 70 per cent a decade ago.

Oil-fired boilers have increased in efficiency by a similar amount while solid fuel types are now up to 75 per cent efficient—an improvement of about 5 per cent in the same period.

There have been several factors behind these improvements such as better technical designs, closer matching of the boiler output to the heating demand,

better boiler controls, and more efficient pumps. Older boilers tend to be far too big for the houses they serve. The boiler size was often calculated with a 10 per cent "safety margin" and for a quick warm up. But a boiler is at its more efficient when it is operating at its full load. So improvements in draught proofing and insulation to older houses has tended to make these already oversized boilers even more inefficient.

As the number of kitchen appliances fighting for a place in the crowded kitchens has grown, boiler manufacturers have introduced compact units which can fit on the wall rather than the floor.

The most common reason why people change their boilers is because they are re-designing the kitchen and want to save space. In fact, wall-mounted boilers are taking an increasing share of the market and now account for about 60 per cent of sales.

Attractive though these units are, it is the technical improvements which are the most important considerations when choosing a new device.

For gas boilers, the latest development in the UK market has been the recent introduction of two new boiler types—the combi and the condensing boiler.

The combi is a type of boiler which has been available in other parts of Europe for at least 15 years. It is a combined boiler and instantaneous water heater which, because it is

CONTINUED ON PAGE XVI

# No-one will ever be the same again once they enter the houses on Plot 25.



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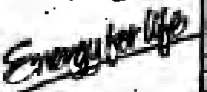
The proof of the efficiency of these houses is that they have satisfied the organisers of Energy World that they offer exceptionally low running costs.

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WEEKEND FT REPORT

# Quest for efficiency

CONTINUED FROM PAGE XIV

linked directly to the mains water supply, does away with the need for a cold water storage tank and hot water cylinder. This reduces associated heat losses and installation costs.

Hot water is always instantly available but the combi unit is generally slower in filling a bath, for example, than conventional boilers and there is generally only sufficient flow to supply one hot tap at a time.

However, they have been gaining in popularity during the past year or so and Vaillant is a major supplier in the UK.

The condensing boiler is the other major new entrant in the UK home market boasting the highest efficiency of any boiler on the market today. In some cases efficiencies of over 90 per cent are possible with this design. But its disadvantage is that it is the most expensive type of gas boiler—being £100 plus more costly for the smallest sized unit—so lengthening the pay back time of the total system.

In this type of boiler, the hot exhaust gases are recycled through a heat exchanger to extract the heat which would otherwise be vented to the outside of the house. Trisave, a young company based at Hinckley in Leicestershire, is one of the pioneers in this market though it does have at least one other British competitor in the shape of Stralrad, a major UK boiler manufacturer, and several French companies have models on the market.

British Gas has encouraged UK companies to develop boilers specially for the home market because of the different climatic conditions prevailing in Britain compared with the continent where winters are generally 10 deg Celsius colder. Thus European versions of the condensing boilers tend to be oversized for the job they need to do in British homes.

British Gas has, over the past 15 months, been evaluating the performance of UK-designed condensing boilers installed in 1,000 homes in the UK. Although the final evaluation has not yet been made, it seems likely that British Gas will continue to support this technology because of the commitment the corporation has made to this technology and the potential savings to customers over the next few years.

Even the modern conventional gas boilers have benefited from improvements in technology which have contributed to an overall increase in efficiencies. Many new models



Small and more efficient boilers can now be hidden more easily in the kitchen. This gas-fired model is the Kingfisher II from Potterton

are fan-assisted and have a balanced flue which has reduced the size of the external chimney or flue needed for drawing in air and expelling exhaust gases to the outside of the house.

Also the more modern gas boiler has become more convenient in that many models have eliminated the need for a permanent pilot light with all the associated difficulties in trying to light the pilot after a holiday. The electronics control system usually built into the boiler automatically fires up the boiler according to a pre-set sequence.

For heating with electricity, many central heating systems make use of Economy 7 (or of the white meter tariff if you live in Scotland) which makes use of cheap rate electricity supplied during a seven-hour period at night. Economy 7 is about two and half times cheaper than the on-peak rate.

Storage heaters tend to be used with this cheap rate to provide a central heating system. Modern devices have become more efficient and slimmer in shape. Also they are now usually supplied with an automatic charge control which can sense the night temperature and decide how much heat the house is likely to need the next day.

For electricity users, there is also the Electricaire system which is more expensive to buy than conventional storage heaters but is a more flexible

system in that there is more control over the heat supply. Electricaire systems have one large heat store in the centre of the house and warm air is pumped from this store as it is needed. It is possible to control the amount of heat stored and the system can be linked to an outside temperature sensor to ensure that the system will automatically store more heat in colder weather.

Another alternative for the electric storage boiler central heating systems again designed around a central heat store but, in this case the heat is distributed by circulating water from the boiler to radiators as in any other boiler system. One of the most popular types to come on to the market is the GEC Nightstor which comes in the 250, 100 or 60 models.

Solid fuel boilers are efficient and tend to be competitive with gas and off-peak electricity. The main snag has been the fact that they need to be refuelled and ashes have to be regularly removed. Many companies have developed the hopper fed boilers which can require refuelling only once each week. The Coalflow boiler is a development which feeds coal mechanically into the boiler and can run for up to one week without refuelling. This system will become available throughout the UK by the winter though it is now on sale in the Midlands.

THE INVASION of the electronic circuit into home heating offers the householder a more comfortable and cheaper existence. Most of the early oil and gas-fired systems were controlled only by a boiler thermostat and either a manual switch or a simple time control.

Today, the minimum recommendations are a time control, thermostatic control of domestic hot water, and separate thermostatic control of space heating, says Mr Hal Roake, a boiler specialist, a consultant for the Central Heating Energy Efficiency Confederation.

This is reinforced by Mr Ron Ayers, a control expert who works as a consultant for the Hevac Control Manufacturers Association. In a recent study carried out on domestic controls, Mr Ayers estimated that, in homes where central heating systems had no controls, saving in energy consumption through the use of controls could be as high as 35 per cent while in houses with only the basic controls could make 15 to 20 per cent savings by upgrading.

Controls help to make savings in a number of ways. They can ensure that the hot water in the tank is not overheated. Without a thermostatic control on the hot water storage then the water tends to increase to that of the boiler output temperature. This means that water coming out of the taps can be dangerously and wastefully hot.

MAKERS OF household radiators for central heating systems face a difficult time in the UK market with the prospect of declining sales over the next few years. It is a tough business and companies have attempted to improve overall design and appearance of radiators to make them more efficient, smaller and more attractive to householders contemplating replacing older systems or for new installations.

Modern houses, for example, tend to have less space available for fitting radiators, so neat, less obtrusive designs are needed.

There are only a half a dozen UK makers of radiators — Stelrad owned by Metal Box, Thorn EMI Heating, Myson, Thermal Radiators, NuRad and CHS Keeling. They compete in a declining market estimated to be worth about £100m by the end of the decade against strong competition from overseas with Belgium and the Republic of Ireland being the largest importers. In 1981 the UK radiator business was worth £135m with Belgium taking 38 per cent of the market and Ireland 38 per cent.

The radiator business emerged as a major business about a quarter of a century ago. Its growth was coupled to the development of small gas-fired boilers and the use of lower cost pressed steel rad-

## Controls

# Flexible devices

Room and zone controls can maintain different temperatures according to the use of the rooms. Bedrooms do not need to be as warm as living rooms, especially during the day. Kitchens, which have heat generating devices such as ovens also need lower control temperatures than other parts of the house, for example. Some controls can also regulate the internal temperature according to the outside conditions.

Controls also can regulate the time when the central heating is on. Today's central heating timers have a seven day clock to allow times of operation to be different for every day of the week. There are a number of major makers of various timers which include Honeywell, Randall Electronics, AMF Inter-nationals, Applance Components, Danfoss, Myson, Landia & Cyr, Sangamo, Pegler Sunvic, Drayton Controls, Horstmann, Towerchron, Smiths and Potterton.

Until recently most timers were electromechanical but the silicon chip has transformed the appearance of these devices into streamlined pieces of

## Radiators

# Stylish slimming

radiator design. It is not simply a lump of metal, oblong in shape that sits in the corner of the room — it can be curved or slim to fit the contours of the most awkwardly shaped wall.

Other metals such as aluminium — which can be extruded into aesthetic and pleasing shapes while conducting heat efficiently — are being used for radiator manufacture.

So it is possible to find suitable radiators by hunting around a bit that suit every home, style and taste. For example there are column radiators that can be used as room dividers; towel rail type radiators which can hang along walls, radiators so slim and small that they almost form part of the skirting board, panel radiators which can be mounted vertically or horizontally or which follow the curves of bay windows and even reproductions of old fashioned cast iron radiators to suit awkward Edwardian and Victorian homes.

While radiators come in all shapes and sizes they are intended to do different jobs. The radiators discussed so far are for systems where hot water

## Controls

# Flexible devices

equipment crammed full of digital displays and pushbutton controls.

The advantages of electronics compared with electromechanical timers are separate programmes for each day of the week, a larger number of heating periods, in one case up to 48 in one day, and more control between water and central heating cycles.

Potterton has recently set up a small factory in the UK since its diversification into central heating controllers in the shape of its EP2000 and the EP3000 seven day programmer. Potterton now claims to be one of the few companies that is able to supply both the boiler and the control system in a single package.

Time controls save energy by giving more flexibility, ensuring that the house is heated when it is occupied, rather than at fixed times. Hence the growing popularity of the seven-day timers. For example, reducing the on-period of the heating system from 16 hours to 9 hours a day can achieve a saving of about 15 per cent over a year.

## Radiators

# Stylish slimming

boards around the country with sales worth more than £20m a year for Feolite-based storage radiators while annual sales of domestic storage heaters seems to be increasing rapidly. Sales now stand at half a million units compared with only 62,000 10 years ago.

Storage heaters operate differently from other types of heating in that they release steadily and cannot be switched on and off like a fan heater, for example. Rooms tend to be maintained at an even temperature and because the room is kept at a certain minimum temperature there is less risk of condensation.

Modern storage heaters can also be controlled more easily. Some are fitted with automatic charge controls which sense the night temperature and decides how much heat is likely to be needed during the following day. On other systems, the user can adjust the heat himself.

Rather than have an electric storage heater in every room, householders can opt for an Electricaire heating system where there is only large heat store in the centre of the house and warm air is pumped around the house as it is needed. Like the storage radiator, this central store can be linked to an outside temperature sensor to store more heat during cold spells.

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WEEKEND FT REPORT

Insulation

Escape hatches need eliminating

WHEN I complained about the cold in my crumbling Victorian semi, my husband used to tell me to stop moaning and to put on a thicker jumper. This was the only form of insulation we had to meet the onslaught of winter.

Today, the picture is much rosier. The installation of loft insulation and double glazing coupled with a new central heating control system to replace an ageing and temperamental boiler has reduced the fear of both fuel bills and the chill north wind.

Timber frame houses built since the early sixties have a much higher standard of insulation than homes constructed before this date so owners do not have to worry so much about keeping heat in.

For older forms of housing, householders have the choice of several methods when it comes to improving the insulation property of their homes. It ends up as a combination of loft, floor or wall insulation, insulating hot water tanks and pipes, draught proofing and double glazing.

Cost of the various options, coupled with the likely payback times and the disruption during installation, are really the most important factors which determine the choice. Generally, the cheapest and simplest forms of insulation give the quickest return on investment. Often local government grants are available to cover a large proportion of the cost.

The roof is one of the major sources of heat loss in the home so loft insulation is important. It can knock as much as 20 per cent off the heating bill but can be installed at a cost of between £60 for a small two bedroom terrace home to about £250 for a four bedroom detached house.

However, loft insulation can pay for itself in less than two years. Loft insulation materials are widely available at DIY outlets. Although 70 per cent of housing in the UK has some form of loft insulation, much of it is too thin to be effective and a depth of 100mm insulation is recommended.

Installing loft insulation does cool down the temperature of the roof space so water tanks and pipes in the roof space also have to be insulated to prevent them freezing up in the winter. Really made but water tanks costing around £5 are simple to do and can reduce

heating bills by as much as £70 a year because a snugly fitting tank jacket reduces heat losses by up to 75 per cent.

Draught proofing is another do-it-yourself job which has effective energy saving results while also increasing comfort in the home by eliminating cold spots. The average home can be draught-proofed for about £100 or less.

Once these energy savings measures have been taken, improving home insulation further generally becomes more difficult and costly. For example, even with the cheapest forms of double glazing, the payback time can be between five to 10 years. Often the time to install double glazing is when windows have to be replaced in any case and is best installed in rooms which are kept the warmest.

Up to 35 per cent of total heat loss in the average home escapes through the walls and suitable insulation can save up to 66 per cent of this loss. But it is at a cost. Householders can expect to pay up to £3,000 for wall insulation.

Insulating walls generally falls into two categories for cavity or solid walls. Most homes built since the 1930s have cavity or solid walls. Most homes built since the 1930s have cavity walls while older houses have solid external walls. Today houses built with cavity walls are insulated during construction.

Cavity wall insulation acquired an unfortunate reputation due to some poor installations coupled with a certain comboy element among contractors. Insulation to cavity walls has to be installed professionally; otherwise it could lead to damp problems. Also some forms of cavity walls are not suitable for this type of insulation.

Solid walls pose another problem: Should the insulation be applied internally or externally and will the benefit justify the outlay? Applying insulations to the outside of a house is the most expensive option for solid walls and the local authority may specify planning permission before the work can be carried out.

Floors, too, can be insulated but the benefits have to be carefully weighed against cost. Sometimes buying a thick carpet is sufficient insulation as only 10 to 15 per cent of heat loss may be lost through the floor.

Where to find information

Energy Efficiency Centre  
The Building Centre  
26 Store Street  
London WC1E 7BT  
Tel: 01-637 1022

Eurisol UK (Association of British Manufacturers of Mineral Insulating Fibres)  
St Paul's House  
Edison Road  
Bromley, Kent BR2 0EP  
Tel: 01-466 6719

National Cavity Insulation Association  
Draught Proofing Advisory Association Ltd

National Association of Loft Insulation Contractors  
External Wall Insulation Association

All can be contacted at this address:  
PO Box 12  
Haslemere  
Surrey GU27 3AN  
Tel: 0428 54011

Glass and Glazing Federation  
6 Mount Row  
London W1Y 6DY  
Tel: 01-629 0678

Agreement Board  
PO Box 195  
Bucknalls Lane  
Garston, Watford WD2 7NG  
Tel: 0923 63815

Cavity Foam Bureau  
PO Box 79  
Oldbury, Warley  
West Midlands B69 4BW  
Tel: 021-235 4949

Expanded Polystyrene Cavity Insulation Association  
5 Eelgrave Square  
London SW1X 8PH  
Tel: 01-235 9483

Insulating Jacket Manufacturers Federation  
Little Burton West  
Derby Street  
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GRANTS FOR INSULATION  
Some houses are eligible for grants under the Homes Insulation Scheme. Such grants are usually only applicable to houses built before 1975, for which no previous grants had been given and where insulation is less than 30mm thick.

Grant allowances are 66 per cent of the materials cost and labour up to £69. Elderly, disabled and low income families can receive up to 95 per cent of materials costs and labour up to £95.

ONE OF THE most promising areas for energy conservation in home heating is in the new homes market where such factors are taken into consideration at the design stage.

To prove this point, architects, builders, equipment manufacturers and utilities joined forces last month to launch the Energy World exhibition at Milton Keynes. This is a complex of 53 homes from 32 developers designed to be a showcase for energy conservation technology. Some of them are for sale at the end of the exhibition, which lasts until today. The organisers have also planned an Energy World Business Week to start on September 27. It has a theme for each day: September 27: Solar Day; September 28: Home Products Day; September 29: International Day; September 30: Energy Efficiency Day; October 1: Housing Construction Day.

The point of the exhibition was to show that the technology exists in Britain to build more energy-efficient homes. The organisers asked designers to meet a stated energy cost index. This index is an estimate of a house's total energy running costs per square metre under certain conditions of occupancy and use.

The index is estimated from the type of house, its insulation standards, the type of soil on which it is built and its aspect to the sun. Normally the index varies between 70 to 250. The lower the figure the more energy-efficient is the home.

At Energy World, all houses have to be lower than 120 on this scale. For example, the British gas sponsored Gas Warm Balmoral three bedroom house with a warm air heating and recovery system has an index figure of 72.7—reckoned to be one of the most energy efficient homes on the Milton Keynes site.

In the UK, building regulations produce, on average, new houses with an energy index of 170 which does not compare favourably with houses in other countries. West German building regulations are 20 points lower while Scandinavian homes do better with an index of about 100 or less.

Despite Britain's low performance when it comes to energy savings conventional building techniques available in the UK can result in well insulated, energy efficient homes.

Another way of cutting down on heating bills is to design a house so that it faces in the right direction to make the most of the available sunlight. It sounds obvious, but only in recent years have architects become interested in the idea of passive solar heating to reduce home heating costs. There are already examples of new buildings employing this concept around the UK as well

Built-in conservation

as at the Energy World exhibition. In passive solar heating, architects add conservatories or large windows on sunny south-facing aspects. This then makes use of the "greenhouse" effect providing extra warmth in autumn and spring periods which cuts down the demand on the central heating system. Similarly, architects cut down the number of windows on north-facing walls and increase insulation on these aspects which are most affected by cold winds to reduce heat loss.

Many of the houses at Energy World use conservatories or logbies with large window areas on south facing walls which form useful and attractive spaces for the family.

Another sensible design practice which has come back into fashion is the draught lobby. Here architects ensure that internal and external doors do not open directly onto the same space which could result in cold draughts. There are several examples of this at Energy World including an exhibit from developers John Mowlem and Company and architects Philip Randall & Parkes which uses draught lobes at the north entrance of its four-bedroom house, and Salvesen

Homes which is also demonstrating a similarly-sized home. Passive heating also comes in the form of the Trombe Wall. This is simply a wall with a sheet of glass placed in front of it. This heats the air space between the glass and the wall and the resultant warm air can be circulated around the house. An example of this construction has been built at Energy World by Thorncroft with architects David Gabriel Design Partnership.

Another unusual design from Hobbs Architects and Abbey National as developers uses another form of passive energy device called earth berms—a term being a rather fancy name for an earth bank. North, east and west facing sides of the four bedroom executive style house have earth banks which help reduce heat loss in winter and maintain cool walls in summer.

Having built houses that keep heat in, the designers have also paid careful attention to heating sources.

Out of all the houses on the Energy World site, 47 are fuelled by gas which reflects the overall dominance of this as a fuel in the UK as a whole. The three houses sponsored by British Gas use the type of

holler based on the condensing principle or is a combination boiler.

Other central heating systems include a solid fuel "high amenity boiler" which has been developed jointly by British Coal and leading appliance manufacturers, an Economy 7 electric heating system, and underfloor heating systems supplied by a gas-fired boiler and solar panels.

Various forms of heat recovery can be employed in the home to re-use otherwise wasted heating. Hoxby House, Denmark's largest house builder, has constructed a four-bedroom chalet bungalow at the Milton Keynes site which includes a heat recovery system. Here, heat is reclaimed from the bathroom and kitchen through a series of ducts. This heat is then used to provide hot water and ventilation.

Architects Nilsson Associates and developers Stepnell, using a combination of Swedish and British construction techniques are showing a heat exchanger in the three-bedroom demonstration home they have built at Energy World. In this house, a built-in ventilation system extracts moist air, passes it over a heat exchanger which transfers more than 80 per cent of the recovered heat to the incoming fresh air.

Most striking of all, Energy World shows how, with a little thought, existing construction techniques can produce attractive, well-insulated homes with heating systems at an economic cost.

Alternative Energy Sources

Still an exotic area for UK research

FOR MANY reasons, some householders may seek a true alternative to conventional heating sources. For some it may be remoteness from gas or electricity grids; for others, it may be the desire to use a non-polluting, renewable form of power.

In Britain today such alternatives tend to be expensive and may not always provide a constant source of power. The Government's attitude towards alternative energy, such as wind, wave and solar power, has left researchers generally unfunded. While some large wind-power generation schemes exist in Britain, smaller generation equipment for private homes and small communities have been left to private companies.

So, technologies such as wind power generation and solar cell arrays are deemed to be expensive and rather exotic for British homes. Wind and solar power suffer in that they are systems which cannot guarantee a continuous source of power so expensive battery back-up is always needed to cover times when power generation is lacking.

Small wind power generators have been developed in countries such as Sweden and Denmark and designs exist in the UK. However, most wind generators, especially those which have been backed by various governments around the world, tend to be large systems designed to connect into the electricity grid. There are a few makers of small power versions to supply individual homes such as SVIAB in Sweden. But these units tend to generate only enough power to service light-

ing and a few low power consumption appliances such as refrigerators. Intermediate wind turbines which supply more than one home seem to be a possibility and one of the houses at the Milton Keynes Energy World exhibition uses a combination of solar and wind power. This is thought to be the first project of its type for housing which links the two forms of alternative energy.

Solanki, a small British company based in High Wycombe, has designed the solar power part of the house which even powers a fountain in the garden.

At present, only one house is powered by the combined system though nine houses are eventually planned for the site. Each house has a bank of solar arrays set into the conservatory

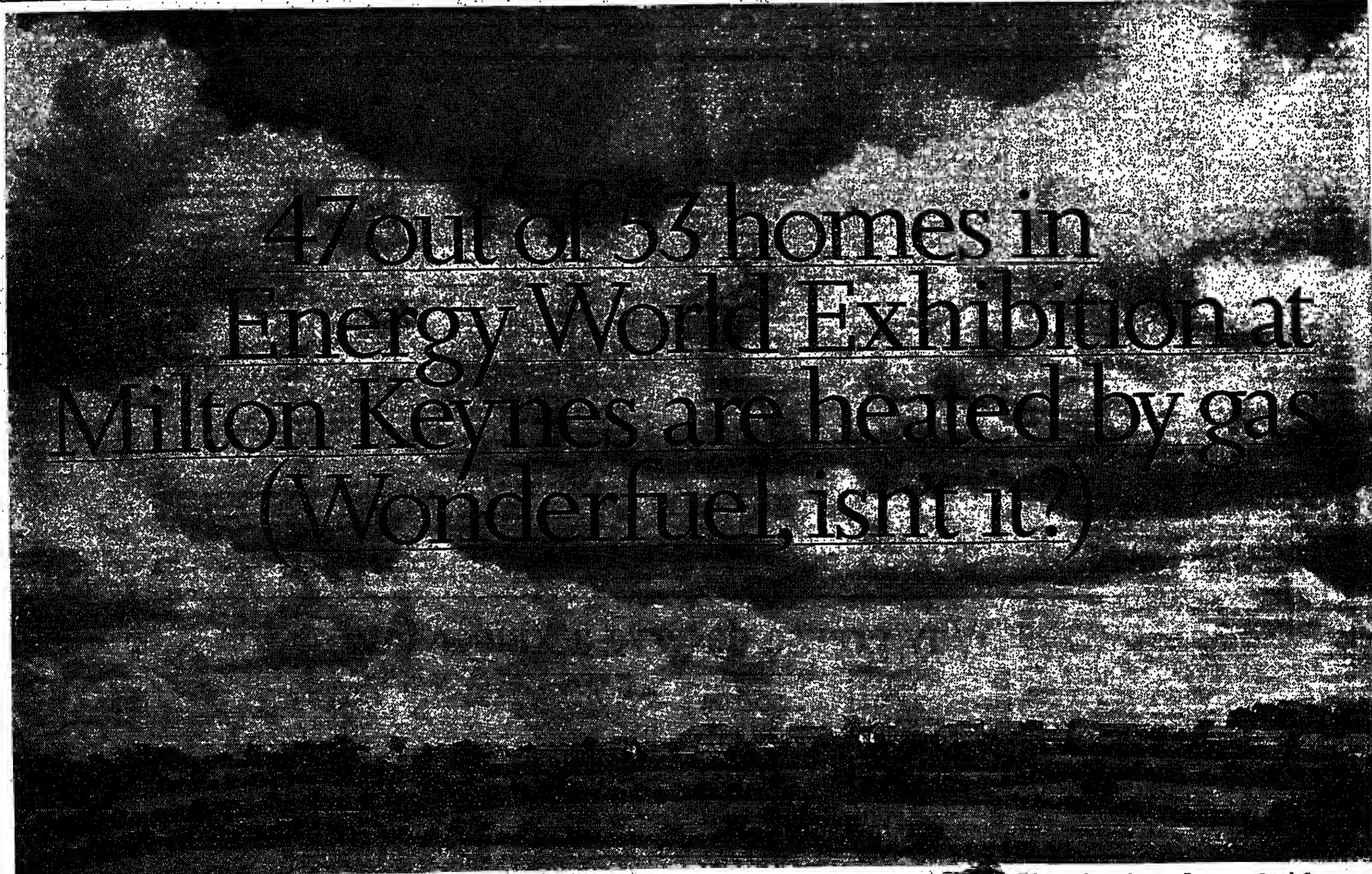
roofs. The output of the arrays goes to a central control building where the power is distributed around the network. The central control building also has a 27 sq ft array on its roof.

The wind generator also links into this control grid. It has 20-ft diameter blades and is mounted on a 60 ft high tower at the Energy Park. Total output of the two systems is 50KW. The £500,000 project has been funded 40 per cent by the Energy Directorate of the European Community. The Department of Trade and Industry in the UK has also promised to contribute to the cost.

A more common form of heating in Scandinavia and Europe is the heat pump. But it has gained very little headway in the UK domestic market. Four

years ago, it was estimated that fewer than 5,000 homes had heat pumps and forecasts were that this would rise to 200,000 installations by the middle of the decade.

Heat pumps — which have proved to be economic in many industrial applications—operate rather like a refrigerator in reverse. They can take low grade heat from the atmosphere and upgrade it sufficiently to provide heat and hot water. Such equipment really comes into its own in district heating applications and for larger houses where there is a requirement for lots of hot water. Though prices have dropped over the past few years they are still too expensive for the average three bedroom semi-detached homes when compared with more conventional heating systems.



47 out of 53 homes in Energy World Exhibition at Milton Keynes are heated by gas (Wonderfuel, isn't it.)

Heating a home with gas has always been kinder on the pocket. And now you need look no further than the Energy World Exhibition at Milton Keynes to see why.

It's all about energy efficiency, so it's no wonder that gas was chosen to fuel the majority of homes in the exhibition. After all, it's the fuel people prefer. If you want to be more comfortably off, make

sure that your new home carries the GasWarm Certificate. It's your assurance it's been designed with economy in mind and has gas for heating, hot water and cooking.



plus insulation — all to an exact British Gas specification. Let GasWarm's 24 hour-a-day economy bring better energy efficiency into your world.

With gas, everyone's more comfortably off.

DIVERSIONS

Collecting

Echoes of a distant battle

ECHOES of the distant rumble of gunfire from the Zulu wars of the last century will be heard in London's Cavendish Hotel next Friday when Spink, the leading fine-art dealer, will auction a Victoria Cross won at Rorke's Drift in Natal.



There is nothing particularly significant about a VC coming under the gavel, despite the medal's exclusivity—only 1,354 have been awarded since its inception in 1856. Three or four reach the market every year.

This particular medal, known as Dalton's VC, after the man to whom it was awarded, is unusual in several ways and has created great interest in the collecting world. Rorke's Drift is not only one of the army's great battle honours but is also the engagement when the largest number of VCs—11—were awarded for a single action. Dalton's VC stands out even in this group because it was awarded some time after the other 10 had been promulgated as a result of public pressure.

The medal is therefore highly wanted by the Royal Corps of Transport, successor to the regiment in which Dalton served. The Corps has the four other VCs won by its officers and men at its museum in Buller Barracks, Aldershot, and hoped to acquire the Dalton cross privately from the estate of David Spink, former head of the company. It is upset that its advance was rebuffed.

"We asked Mrs Spink, his widow, either to be presented with the medal as a donation, offered it on permanent loan with the family retaining ownership, or allowed to buy it privately before the sale at a price independently valued," according to one senior officer. "Sadly, we were refused. It was a great disappointment."

The difficulty was that she stipulated the medal should go to auction. The executors' hands were tied.

The medal will almost certainly be challenged by a number of collectors, though no one knows quite how many, or how affluent they will be.

"The difficulty about the market for medals," according to Andrew Litherland, assistant manager of Spink's medals department, "is that a lot of collectors keep very much to themselves. Someone with an interest in South Africa, or the Corps of Transport, or Dalton, someone we know little or nothing about, could come out of the blue and outbid everyone. Medals are an investors' market. People tend to buy to hold rather than buy for capital gain."

Litherland thinks the Dalton VC could fetch about £50,000. But when the Nicholson VC came up for auction three years ago—the only one to be awarded to a pilot in the Battle of Britain—the RAF Museum was so desperately anxious to obtain it that the bidding went to a record £110,000.

James Langley Dalton was transport and supplies officer to B company of the 24th Regiment of Foot, subsequently the South Wales Borderers, as they pushed north out of Durban in 1878, establishing supply posts on the

route to the Transvaal. For the 139 men of the detachment that summer January day the going was slow and tiring, dictated by the pace of the oxen pulling the supply wagons. It was hot and the dust was suffocating. At Rorke's Drift, they received the news they most feared. The previous day, at Isandhlwana, a force of 20,000 Zulu warriors had massacred the entire troop of 1,200 British soldiers. About 4,000 Zulus had detached themselves from the main force and were approaching Rorke's Drift and the small party of the 24th Foot.

The first reaction of Lt Bromhead, leading the detachment, was to retire. Dalton persuaded him to stand and fight and then, by organising the defence, saved most of the men's lives. The maximum speed the soldiers could retreat, he pointed out, was governed by the oxen, not much more than 2-3 mph. The Zulus could half-march, half-run at two to three times that speed. Defend a fortified position, he urged,

rather than be caught in the open, which invited certain massacre.

Dalton, though not an infantryman, was an old sweat. He had served in South Africa before and knew how to fight. His strategy was right. By the time the Zulus retired after a bloody night they had lost 400 warriors. The 24th had losses but most of them were alive and 10 were subsequently awarded the VC.

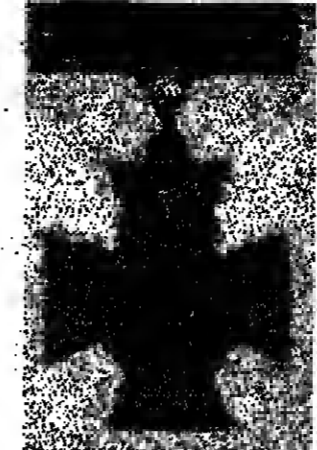
Dalton's name was not among them, an injustice according to the privates whose lives he had saved. The manifestation of their regard for him came not long after as B company of the 24th Foot was marching through Durban en route for the docks and embarkation. Dalton had joined the crowd saying to the troops, who recognised him, "A man, breaking with army tradition and all discipline, they cheered him as they passed."

News of Dalton's role quickly reached London and when 10 VCs were promulgated without any previous manifestation of their regard for him there was something of an outcry. Questions were asked in the Commons and eventually the Queen Victoria rectified what was seen as a glaring omission. Dalton became the only man to have received the award as a result of public pressure.

The medal was introduced after the Crimean war because there was no way in which all serving men (and now women) could be rewarded for bravery. Campaign medals had been instituted as an I-was-there recognition in 1808 but the only reward for bravery was the Order of the Bath, and this was restricted to senior officers.

Queen Victoria therefore acceded in 1856 to a request to institute a medal which could be presented irrespective of rank and on a very hot day in June 1857 she decorated 62 men in Hyde Park and presented the medals to the relatives or descendants of another 50.

It is sometimes difficult to reconcile today's exclusivity—only two were awarded in the Falklands, just 182 in the



Second World War—with the large numbers a century or more ago. The apparent proliferation in its early days was entirely due to its universality. The VC was for a long time the only gallantry medal. There was nothing else the men at Rorke's Drift could have won.

Casting the medal remains the responsibility of Hancock, a London jeweller, which produced the original ones. Until 1890 Hancock cast the medals at its Bruton Street workshops in London's West End but this century it has sub-contracted the work.

The bronze medal itself is otherwise insignificant and cheap to make. "They probably cost £21," says David Callaghan, senior director of the company, "and we tend to have them made a dozen at a time for the Ministry of Defence. The Government needs a stock as they are occasionally replaced and sometimes, though infrequently since 1948, awarded."

Some counterfeiting is probably inevitable but Callaghan believes it is always possible to identify these, though he won't say how. As the Royal Corps of Transport continues its fund raising efforts for the medal appeal it would no doubt differ from the judgment of the Times on the day the medal was first presented.

"Never did we see such a dull, heavy, tasteless affair. Much do we suspect that if it was on sale in any town in England at a penny apiece, hardly a dozen would be sold in a twelve-month. The Victoria Cross is the sabbath of all prizes."

There are 1,354 men who would dispute the judgment and countless others who would support them.

Anthony Moreton

Europe under fire

TO MEDITERRANEAN eyes, a well-behaved British bonfire is an enviable prospect in the ravages of summer. In south Europe, forest fires have left their appalling scars on the landscape and the regions are counting the cost of the past 10 years.



It is a story to make any gardener or tree-lover tremble. In Spain about 200,000 hectares catch fire each year, in Italy an estimated 60,000, in France about 45,000. In the Midi the latest casualty is the little village of Auribon-sur-Sigagne. It was a poignant victim because its elder residents had already lived through an earlier fire in 1927. In a few hours the village's landscape became a charred wasteland. "Village of the apocalypse," the Press has been calling it. Why does it happen? Can it be controlled? Is it, as gardeners so often discover, an opportunity in disguise?

In Provence last week I found all sorts of culprits being proposed. Some people even blame the young firemen, as if the boys wished to start some action to show off their skills. Others blame an invisible "lobby du feu," made up of the captains of fire-fighting industries, people who wish to see a good blaze because it suits their business of combating fire, not preventing it. In the Alpes Maritimes, the departmental director of fire services puts the whole thing down to pyromaniacs. "Certainly," replies his opposite number in the police, "We arrest a few German tourists, and a few crackpots, but it is unacceptable that maniacs are behind the whole affair."

There have been 40 arrests for forest-arson this summer in France, and some of the victims have admitted they wished to see the firemen and water-cannons in action against a crimson sky.

But forest fires have always occurred without them. They are older than literature. Homer was already comparing the horrors of the Trojan War to the flames fanned by wind through mature oak trees. The Roman poet Lucretius blamed lightning and the bonfires of hunters who wished to smoke their prey out of the

Robin Lane Fox on the causes and effects of the conflagrations that destroy forests

woods. Lightning is still relevant, though nowadays people lay more blame on casual smokers and the sparks from forest saws. Hunters start a few fires, but usually in protest after a boundary dispute has banned their sport from an area.

Meanwhile, nobody knows what to make of the judgment of the great Greek historian, Thucydides. In his view, forest fires could begin when the wind caused the tops of tall trees to rub together and give off a spark. Thucydides, like myself, will never believe the master to be wrong unless absolutely refuted by solid evidence: can anybody refute his account of the origins of this particular disaster?

It would be wrong to blame the growing scale of these tragedies on European negligence. It is 10 years since I last visited Provence, and the topic is now a public obsession. Water cannons and spotter aircraft are at the command of

special fire brigades and departments, while there is serious money and no end of research for methods of attack from ground or the air. Huge machines called Scorpions have been devised to cut and beat back brushwood in the fire's path. In the past 10 years, 400m francs have been spent on prevention in Provence alone.

Fire-fighters reflect ruefully on the growth of holiday homes. In the mid days, watchful peasants policed forests which were their way of life. Now, fires spread through hill-sides which are studded with second homes, swimming pools and irrelevant burglar alarms. Nobody sounds the alarm until it is too late.

In Grasse, the mayor of the city has been demanding sterner action—the death penalty for anyone convicted of open-air arson. But pyromaniacs, surely, are not people to be deterred by consequences. The hill-sides have to live with a high degree of accident and human thoughtlessness. As a result, publicity seems a better remedy than penalties which fall after the event. Must it, meanwhile, be the end of well-loved landscape?

Burnt hill-sides do sprout new saplings after four or five years, which will grow strongly in the old ashes. They are spared that second hazard, the nibbling goat. Goats, nowadays, are to decline, but it is also important to introduce less vulnerable trees and control the dry undergrowth by planting of manageable intervals. Much of the main firebelt is made up of Aleppo pine and dry brushwood.

Cedars would make a safer replacement, as would planes and perhaps certain types of fir. The heirs of the Medici are waiting for imaginative landscape gardening, but it will only get at a cost. Without much state aid, the villages who suffer have to coax their richest landowners to take on the expense. In return, they plan to offer building permissions on yet more land. Humans, eventually, prevent the landscape's regeneration. Long and short-term, a fire means a permanent loss of green space.

Better to be safe

BEFORE container growing arrived to give gardeners the possibility of planting most things at any time of the year, there were two major planting seasons, one in the spring and the other in the autumn, March and April were the favoured times for planting most herbaceous plants, while autumn was mainly for bulbs, trees, shrubs and roses.

Within these two periods there were sub-divisions to meet the needs of particular plants. The more tender perennials and most of the summer bedding plants were left until May, when risk of radiation frosts at night or around dawn were less. Some perennials that were slow in recovering after being moved were planted in September (peonies were a notable example). Evergreens were planted in October while the soil was still warm but deciduous trees and shrubs were left until November, by which time their leaves would be falling fast.

These periods were not chosen arbitrarily. They were the ones which many generations of experience had shown were most favourable for each group of plants; the times when they would suffer least shock from root disturbance and would be likely to make the most rapid recovery. All that container growing did was to remove many of the hazards caused by out-of-season planting. It did not alter the fact that the traditional times are the best, both climatically and for the probable working conditions of the soil.

There remain the only safe times for moving plants from the open ground and there are still many advantages in buying in this traditional way. Since, size for size, open ground plants are cheaper than container grown plants; a greater selection is available; and it is possible, although not usually very wise, to obtain considerably larger plants.

Open ground nursery plants are sometimes called bare root plants and that can be an absolutely literal description, although it is not ideal for their well-being. When I move plants from one part of the garden to another, I always try to retain as much soil as possible around the roots. If they are bare plants, then can man transplanting them with a very heavy ball of roots and soil.

I use all sorts of methods to deal with this problem. If the weight is not too great I might lift the plant into a wheelbarrow, trundle it to the new site, and then lower it carefully into a hole already prepared and sufficiently large to take its roots easily. If it is too heavy for that and no help is available, I might lever it out on to a large piece of sack, an old rug, a discarded carriage iron roofing sheet, or anything else that will serve as a makeshift sledge on which I can drag it where I want it.

In the old days, nurserymen used to prepare some difficult trees and shrubs, such as hollies

and cypresses, by haling them — which means lifting them with a lot of soil and roots bound securely in hessian or polythene sheet. The increased cost of labour and treatment has made this kind of treatment virtually impossible and instead of trying to keep a maximum of soil on the roots, the aim now is usually to get as much as possible off to reduce the weight. This means that replanting must be done as quickly as possible — ideally, the same day — and that roots must be kept moist by shading or dampening or both.

What every experienced gardener knows, but beginners usually have to learn the hard way, is that it is not the big roots that gather food and moisture, nor even the thin ones, but the fragile root hairs that cluster along them. Lose these through clumsy handling or drying out, and re-establishment will be greatly delayed or even made impossible. Even while plants are on the ground waiting to be planted, it is wise to cover their roots with sacks or polythene.

With bulbs, which are the most immediate candidates for planting, you are faced with a different set of circumstances. Most, but not all, are accustomed to losing all their roots once a year and remaining quite dry for a period; and for these, lifting with soil is no advantage. What you do need to know is that some have a much shorter natural resting period than others and some have virtually none at all.

With just a few, of which snowdrops are the most obvious example, it is even better to treat them like ordinary herbaceous plants and transplant while they are still in growth. Many lilies respond to this kind of treatment; and the white Madonna lily starts to grow again so rapidly after its leaves die down in July that it is best to plant it in August.

The same is true of the autumn flowering coliciums and crocuses and also of stambergias, the gold-flowered bulbs that look like crocuses but are quite unrelated. The little bulbs and corms, such as crocuses, grape hyacinths, scillas, chinodosa, puabinkins, and the early flowering bulbous irises, all need to be planted as early as possible in the autumn season. Daffodils of all kinds also start to grow early. By contrast, hyacinths and tulips have a long resting season and will not suffer at all if stored until October, provided the storage place is dry and cool. What can upset them is getting damp or hot while out of the ground.

If you are able to pick your own bulbs in a store or garden centre, feel them one by one, judging how firm and heavy they are and rejecting any that are suspiciously light or soft. They are probably diseased or hollowed out by grubs. Daffodil bulbs are particularly likely to be attacked by maggots of various narcissus flies which feed out of sight within the bulbs.

Arthur Hellyer

THE CONTINUING story of bad poets writing in English passes across the Atlantic. And the American doggerel writers had their famous fans, too. Just as W. H. Auden was devoted to that British master of suggestive imagery, the Rev E. E. Bradford, Mark Twain was an avid reader of Julia A. Moore (1847-1920).

Twain admitted that her first volume—The Sweet Songs of Michigan Salutes the Public—had given him joy for 20 years, and paid her the dubious compliment of portraying her in Huckleberry Finn as Emmeline Grangerford.

She specialised in sudden death and laundry laments. "Julia is worse than a galling gun," complained one critic, "I have counted 21 killed and nine wounded in the small volume she has given to the public." She also combined many of the qualities of the subject-matter, enmeshment to the exigencies of rhyme and metre, sudden plunges into bathos—that Sir John Squire was later to highlight in his periodic critiques of excruciating verse.

He it was who resurrected such unjustly neglected poet as Frederick J. Johnston-Smith, whose Poetical Works had appeared in 1904. Johnston-Smith's language is a mixture of banality and surprises, like a pretentious football commentary: "Richest I leave like a lover who goes From the side of the maid of his choice By whom he is held with a cord actuous Spirit of her beauty and roice."

"Actuous," says Squire, is a "very characteristic" of this poet, "who uses enormous numbers of astonishing words of which he does not tell us the meaning, although he gives us a glossary containing such definitions as: Outward-bound—sailing from home, Yo-heave-ho!—a phrase used by sailors when two or more pull in concert on the same rope."

Johnston-Smith's glossary recalls the work of the American poet Solymann Brown who produced Dentologia (1840), A

Deathly doggerel



Poem on the Diseases of the Teeth. The footnote to this work gives sensible advice on dental care and an appendix listing 300 qualified dentists practising in America is thrown in for free.

The didactic Muse seems chiefly to inhabit the US, or at least to have polluted its Castalian Springs. Ella Wheeler Wilcox (1850-1919) promoted the cause of temperance with her Drops of Water (1872). She was a mine of misinformation on a wide range of subjects, including the provenance of babies: "Have you heard of the Volley of Babyland. The renins were the dear little darling stay Till the kind storks go, as all men know, And n! so tenderly bring them away?"

The Times described her as "the most popular poet of either sex or any age read by thousands who never opened Shakespeare," and her verses have been an invaluable standby for the makers of Christmas crackers ever since she penned the immortal lines: "Laugh and the world laughs with you, Weep and you weep alone."

The second of two parts by Nicholas Parsons on the art of awful verse

For the writer of bad verse a suitably arresting name is, it seems, obligatory, and bizarre hook titles are even more de rigueur. Amanda McKittrick Roe (1896-1939) produced two suitably alarming titles for her readers with Poems of Puncture (1912) and Fumes of Formation (1933). The first named volume was not about bicycling, as the title seems to suggest. Her stock in trade was the putative epigram, as in these delightful lines: "On Visiting Westminster Abbey: Holy Moses! Take a look! Flesh decays in every nook, Some rare bits of brain lie here, Mortal loads of beef and beer."

Other poets with engaging names are reported in Edmund Pearson's Queer Books, and include the Americans Bloodgood H. Cutter, Shepherd M. Dugger, and J. Gordon Coogler. The last

named gave birth to one couplet that has achieved immortality, of a kind: "Poor South! Her books get fewer and fewer, She was never much given to literature."

Of course this was written before the advent of William Faulkner and Tennessee Williams. The art of awful verse—for surely it is an art—has been unjustly neglected by literary historians and bibliologists. D. B. Wyndham Lewis is the only major collector of the Muse's equivalent of a cricketer's "wide."

With Charles Lee he compiled The Stuffed Owl (1930), a collection of picturesque curiosities that concentrated on the momentary aberrations of great poets. The principle followed was that "a fall off a cliff is more interesting than a fall off a cushion." This is undeniable, but the result of its application as a criterion for inclusion in the book was that persistent non-hoppers were unjustly excluded from the exhibition.

This deficiency was evaded by Christopher Adams in his little book The Worst Poems in English, published in 1958.

"The bulk of English poetry is bad," observes the compiler bluntly in his preface. Adams illustrated this with some bappily chosen examples, such as the dramatic poem entitled Tragedy from Theo. Marzials' collection The Gallery of Pigeons (1873):

Death! Plop. The barges down in the river stop. Flop, plop. Above, beneath, From the steeple branches the grey drips drop. As they scraggle black on the thin grey sky, Where the black cloud rack-hackles drizzle and fly To the oozy waters that lounge mid flop. On the black scrag-piles, where the loose cords plip, As the roto wind whines in the thin tree-top.

Plop, plop. And scudding by, The hoatmen coil out hoy! or hey! And all is running in water c-sky. And my head shrieks—"Stop." And my heart shrieks—"Die."

It is difficult at first to locate the source of the tragedy which the above lines so powerfully evoke, but it emerges in the second stanza that the speaker's friend has run off with his sweetheart, causing him to contemplate suicide, or, as he puts it:

I might reel and drop Plop Dead. Since Adams made his selection, the heroic failures of literature have been woefully neglected. It is high time for someone to bring the story up to date. It is a task which Samuel Rogers might have said in his own inimitably unapologetic way: "Think nothing done, while all remains to do."

It is true that this admirable sentiment, as William St Clair pointed out in a Financial Times article earlier this year, was "written by a man who inherited half a hank at the age of 25 and never did a hand's turn of work in his life." Or, rather, it is half true, for the industry required to produce reams and reams of insipid verse must have been quite considerable.

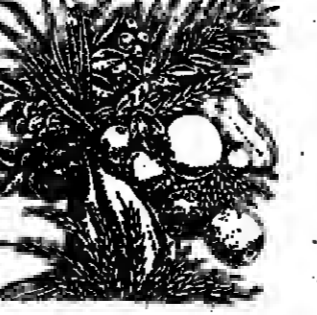
But industry alone is not sufficient to qualify the poetaster, the propagandist or the docteur for a niche in the ball of fame. "Bad verse has its canons, like Good Verse. There is bad Bad Verse and good Bad Verse" (Wyndham Lewis). A great deal of innocent pleasure may be derived from the latter, which should therefore be rescued from oblivion. The worst would be a poorer place without the colliding metaphors and scorial images in the following couplet, ascribed by Lewis to "a very great late-Victorian." He cancelled the ravaging plague With the roll of his fat off the cliff.

(The lines are by George Meredith in The Empty Place and contain an amazingly obscure reference to a sacrificial custom of the people of Marseilles.)

Why grouse deserve a kinder fate

FOOD FOR THOUGHT

Shooting the poor, persecuted birds probably comes as a relief to them, says Peter Fort



pleased now that salmon is as common as cod, that we can serve up strawberries like footballs on Christmas day if we want to, and that we can tuck into new season's lamb from January to September? Why should the grouse be any different? We're perfectly

happy with barley-fed beef packed with growth promoters. We have battery hens, why not battery grouse? Why should the grouse enjoy the freedom of the moors and have the privilege of grazing on ling heather? Who cares about the seasons?

The seasons are old hat. We want to eat what we want to eat when we want to eat it.

We don't want the bother of hanging the wretched bird. We don't want to have to worry about whether it's properly hung or not. Pluck a tail feather? Sniff the bird? What do you take me for, some kind of pervert? Anyway, banging a couple of birds with all their feathers on the back of the door is very unhygienic and upsets the children. And it's too easy to forget about them until it's too late. Then who sweeps up the maggots?

We should look forward to the day when we can snap up our individually matured butter-bell grouse the size of a turkey when we need it. Then we'll pop it in the oven at Gas Mark 4 or 350°F for 30 minutes. While it's browning we'll just

have time to open a packet of reconstituted game sauce with added brandy and real cranberries. Our "Hunter's Supper" will be ready in a jiffy. Just serve it up with over-ready game chips and wait for the applause. Isn't that what we want?

Well, some people may, but I don't. I don't want to encourage snobbery in food, either, but I do think food ought to taste of something. That has always seemed to me to be the point of any game, in fact. You may not like the flavour of grouse but at least you can always taste it. All those ticks, nervous breakdowns and thousands of saffron have helped produce a flavour and texture that no amount of systematic scientific processes or additives can hope to duplicate.

That's why we can't produce Lagopus Scoticus in sufficient quantities to make mass marketing the poor bird worthwhile. Considering what misery it suffers when it is alive, it's just as well.

Johnnie

# Now pull yourself together...

Lucia van der Post  
**HOW TO SPEND IT**

THESE DAYS it is quite easy to chart the gentrification of London and, I daresay, Edinburgh, Manchester et al, by looking at windows. Where the festoon blinds flourish, there you may be sure that prices are going up, for the mood in dressing windows these days is lush, lush, lush.

The 1960s and 1970s were the time to demonstrate how understated and refined your tastes were. No vulgar swags and bows, just plain wooden shutters or simple rattan blinds or, maybe, plain curtains hanging from a brass or wooden pole.

Today it is almost impossible to over-gild the lily. The look is exuberant, voluminous and highly decorative. Some of the best-dressed windows feature bows, frills, swags, tails and two sorts of fabrics all at the same time.

Much of this is part of the nostalgia for times past that has invaded the interior decorating world. The grand decorators, like Mrs Monro and Colefax & Fowler, are scurrying to the history books and giving their clients authentic 18th and 19th century swags and drapes.

The trouble with all this grandeur is that it doesn't come cheap. Not only is there miles of fabric, but it takes hours of fine workmanship as well. These were never meant to be run up at home on a rainy afternoon.

Anybody who has had any one of these newly fashionable scenes costed out by a professional decorator will already know just how expensive they can be—anything from £700 upwards for a pair of lined and interlined curtains, and when you add swags, bows and tails the cost rises even more.

However, it is possible to get something of this new decorative, expensively-dressed look

without spending a fortune. Here on this page I suggest several schemes which can be done without professional help. They rely above all on generous masses of fabric—if money is a problem remember that it is better to buy lots of inexpensive fabric (such as calico, unbleached cotton, muslin) than to be mean with "designer" material. If you use a mass of the fabric of your choice you will find that generous folds and swaths, even if somewhat ineptly done, will immediately convey an air of "luxure."

Many of the suggestions sketched here are in fact purely decorative. Some of them (in each caption I have spelled out which) have no practical function at all; they are there simply to delight the eye.

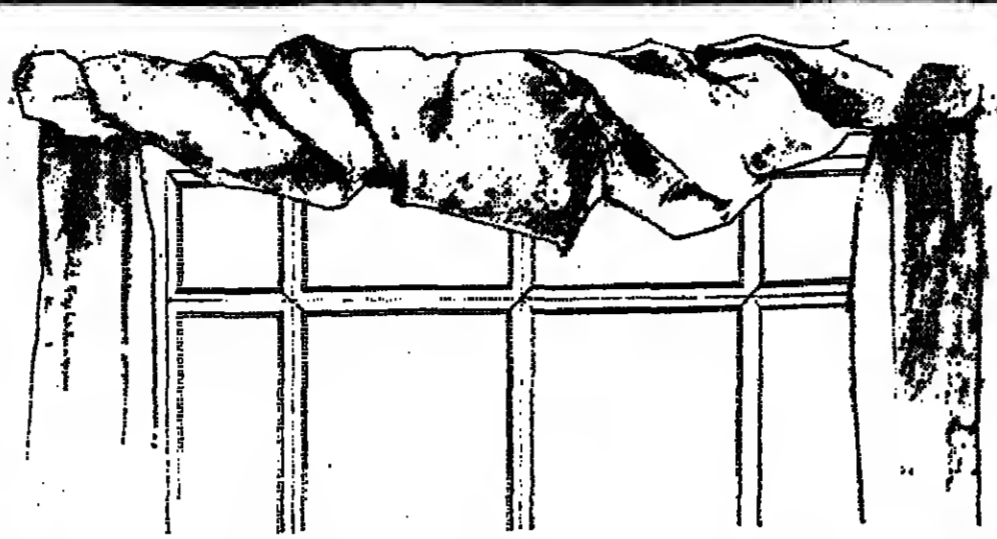
Many combine well with functional blinds; the effect of different patterns and fabrics working together contributes to the rich overall visual effect that is so much a part of the current interior look.

Notice that today many curtains are made much longer than the floor. Nothing looks simpler and more than ending them just at floor level, and while it was popular in the 19th century to have curtains two to three inches longer than floor length, today they are sometimes as much as eight inches longer.

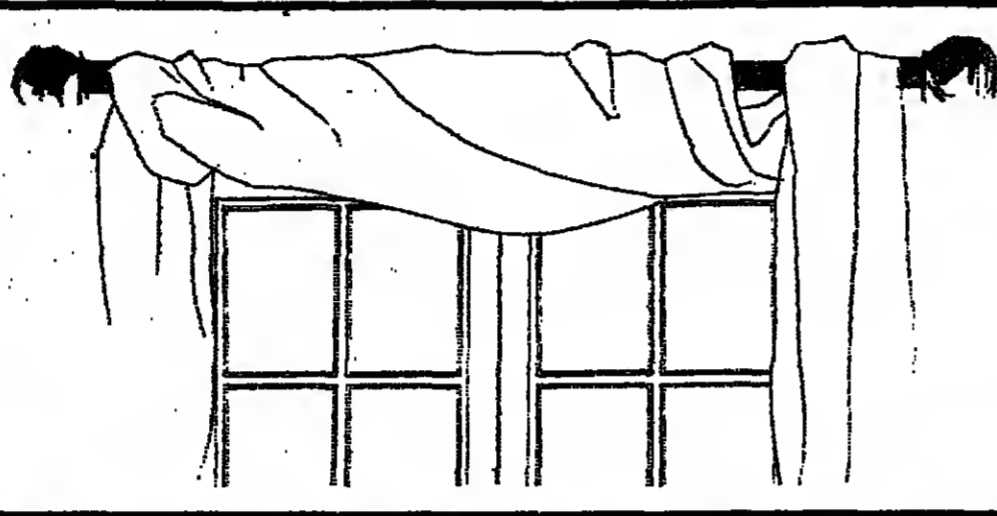
The suggestions sketched here by Penelope Hughes-Ross, an interior decorator working with that doyenne of the trade, Mrs Monro of 11 Montpelier Street, London SW7, are aimed at the do-it-yourself market. None of them needs elaborate hand-finishing, and none cannot be tackled by a normally competent curtain-maker at home.

All you need is masses of your chosen fabric, a stapling gun, a good eye and courage! If you would like more precise instructions you are in luck. On September 25 Conran Octopus publishes the Terence Conran Soft Furnishings Book (£18), which gives detailed guidance on how to achieve this kind of look.

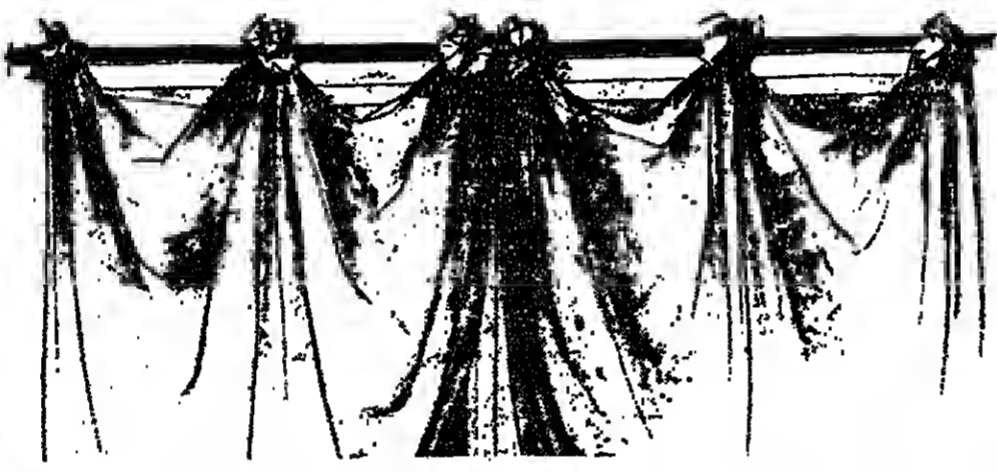
A less grand, simpler book will be a great deal of useful information on the subject is Caroline Clifton-Mogg's Curtains and Blinds (£2.99, also published by Conran Octopus).



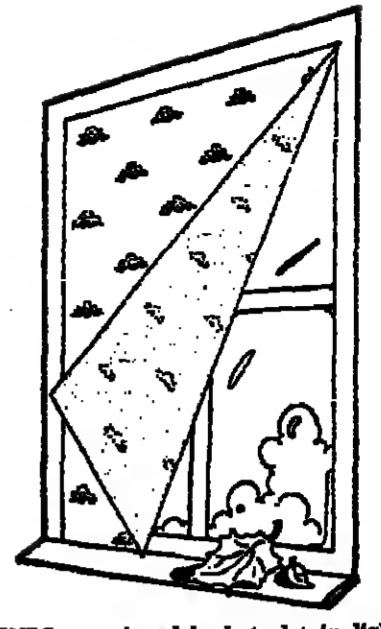
HERE material has been hand-draped over a pole so as to conceal the pole completely. This is currently a very popular look and very easy to achieve. If you buy very, very long lengths of fabric the same length can fall to the floor on either side of the pole. Again, though, they would serve as dress curtains only—if you wanted curtains to draw you would need a separate pair on a separate track.



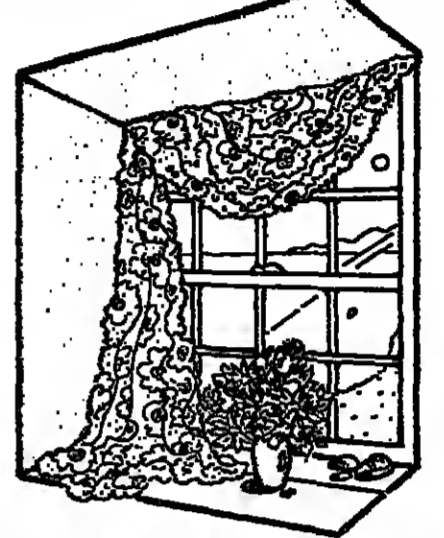
THIS IS probably the simplest of all the effects to achieve at home—the fabric is simply draped over a pole, very loosely. This can look very dramatic indeed when used with a blind in a contrasting or co-ordinating fabric. Also you can drape the fabric so that one side is much longer than the other, giving the fashionable asymmetrical look.



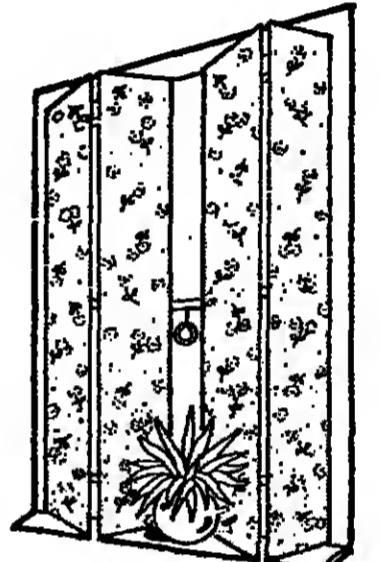
IF YOU have a rather boring plastic track already fixed, this is one way of livening up the window—just gather up the curtain fabric and attach it by the corners to a curtain hook. Cut off pieces of material to make "rosettes"—professional decorators make them beautifully (and expensively) to look like cabbages, but you can simply scrunch them up and attach them to the join where two corners of the fabric meet, and on each outer corner.



FABRIC BLINDS are pinned back to let in light and give a rather Japanese air of stylish elegance.



SIMPLE draping using a simple plastic track is one way of dealing with the sort of window you often find in cottages and attics. Here lace has been used, and very effectively, too, but you could use any soft fabric. To block out light you will need a blind as well.

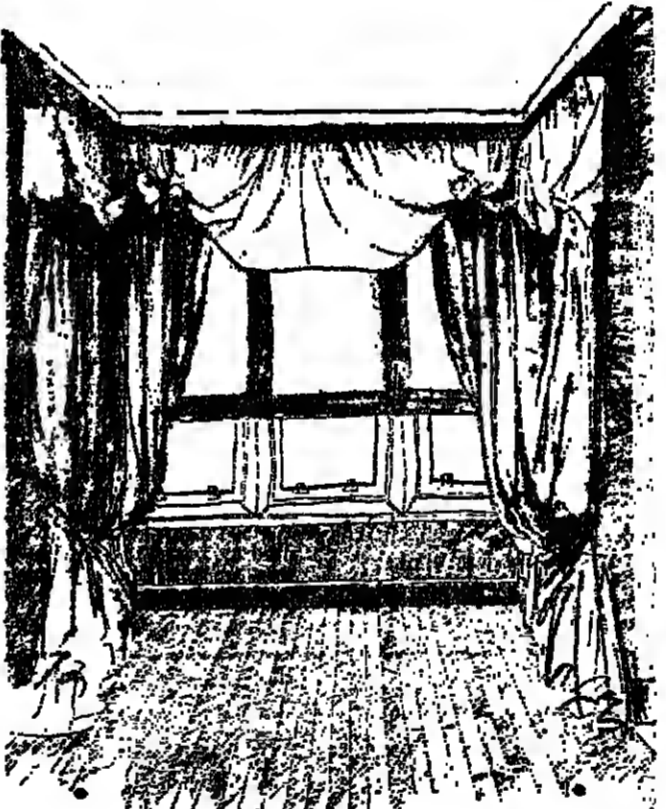


IF YOU find wooden shutters rather bare for today's more "decorated" interiors, you can cover them in fabric, as shown here in this small window embrasure.



**LEFT**  
IF YOU already have an existing pair of rather straightforward curtains and want to give a window a lush, more up-to-the-minute look you can do it relatively easily. Add a pole, then drape a contrasting fabric in rich and generous swathes over the pole. In the sketch the

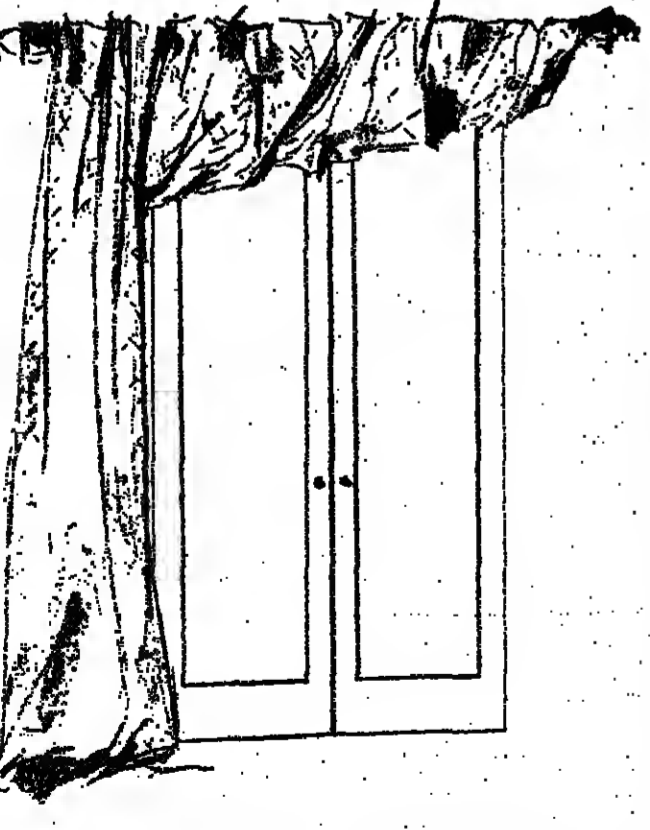
fabric has been knotted in two places at each end—just below the pole finial and at the bottom. If you are starting from scratch remember that if you want curtains to pull, you will need to have the curtains themselves on a track, and use the pole and its swathebed fabric purely for decorative effect.



Curtains drawn by Penelope Hughes-Ross and Anne Morrow

A bay window is a common problem, and here it has been given a luscious new look—all swags and bows and lashings of fabric. This style is probably the most difficult to do without professional help, but the folds of the top can be achieved by stapling the fabric to a wooden pelmet board; the knots in the fabric at the side can easily be done by hand. If the curtains are fitted to a separate track they could be drawn, but I think it is better to leave them beautifully folded as dress curtains, and use toning blinds for practical purposes. If your window already has blinds and you are wondering how

to update the look, simply leave them in situ and add the swirls of fabric on pelmet and sides. If you're after a traditional look and can't afford to pay professional interior decorating services you could try looking out for sets of antique curtains. These are now much sought-after and quite often crop up in auction room sales. Wonderfully rich and grand materials can often be found at excellent prices. A good indication of the popularity of old materials is next week's Decorative Antiques and Textiles Fair at the Café Royal in Regent Street, London W1, September 17-20.



**Material Facts**  
MOST of the schemes I suggest here depend for their effect on masses of fabric—generosity is the key. Not everybody can afford great swags of Colefax and Fowler materials or huge bunchings of Designers' Guild. Fortunately, many of these

treatments would look wonderful with quite simple fabrics like poplin, unbleached calico, muslin, ticking or plain glazed cottons. So here are a few addresses for those who are looking for fabrics at less-than-designer prices.

● Russell and Chapple, 23, Monmouth Street, London WC2. A really useful address: it sells cotton duck in a variety of colours and widths, plain cotton and jute twill, calico at exceedingly reasonable prices (all under £4 a metre) and all of which hang and drape beautifully. Look too, among stage supplies, the selling cloth, the plain linens. The shop will send a price list for those wanting to buy by mail.

● John Lewis, Oxford Street, London W1 and Peter Jones, Sloane Square, London SW1. They may seem obvious, but it is easy to overlook them. Both often have fabrics at excellent prices, in particular Indian cottons, and don't forget their lining fabrics, in a big range of colours, all at under £2 a metre.

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THIS SUMS up today's look perfectly—asymmetry is one of the strong current themes. This is also one of the simplest styles to do yourself—simply gather up the fabric and wrap its loosely round the pole, leaving the excess to all to the floor.

and fine Liberty lawn and both looked beautiful. However I am a great fan of plain white or cream, and if you're really hard-up or want to test out the look you could use sheets or sheeting. Remember that this arrangement is for decorative effect—the curtains cannot be drawn. To cut out light, or for privacy you will have to use either blinds, some white muslin, or have a separate curtain behind on a separate track.

BOOKS

When Winston led the last attack

ROAD TO VICTORY: WINSTON S. CHURCHILL 1941-1945 by Martin Gilbert. Heinemann £20.00, 1,308 pages

HERE IS the seventh volume of the great biography of the giant of our time, begun by Winston's son, Randolph, and continued by Martin Gilbert. The sheer energy of the author must inspire awe and admiration. He has also edited five volumes, each several hundred pages, of Companion Papers—a vast treasure trove of Churchilliana. He has produced a multitude of books on other subjects, the most recent being his terrible account of the Holocaust. There can have been few, if any, more prolific writers of history and biography in modern times. There must have been many problems along the way, financial, academic and personal. To undertake a biography of this colossal scale is to achieve a historiographical immortality. As for the intellectual price only the author knows. His readers must simply be grateful that he has been prepared to pay it.

So much has been written about the Second World War that it is difficult now to do much more than "dot it" and cross it about the major issues. They have all been discussed at enormous length, largely in terms of alternative strategies which might have ended the war earlier. The argument turns partly on the crucial question raised by John Grigg in his book "1943: The Victory That Never Was" (1979); whether it would have been possible to launch a successful cross-Channell assault on northern France in 1943 instead of 1944, and whether that strategy would have ended the war a year earlier. It also turns on the question of the Balkans. Would it have been possible to exploit the Balkan situation and forestall the Russian occupation of those now dismal countries? The war might not have ended any

earlier but the Iron Curtain might have fallen further east than it did. By the nature of things there will never be a complete answer to these questions, but the more one reads about "Round-Up," the less plausible it seems. It presupposed an amount of shipping which the Allies simply did not have, or only could have had if the Americans had agreed to a major diversion from the struggle against Japan. Far from this being a possibility Roosevelt and Marshall had their work cut out to prevent even more resources being sent to the Pacific. It is a fair criticism that, although the Americans proclaimed a policy of "Germany first," they never really implemented it.

Mr Gilbert makes it abundantly clear that Churchill fought as hard as he could for Round-Up. It is a post-war myth largely propagated in America that he was lukewarm, preferring to open a front in the Balkans. It was not Churchill but American weakness that prevented a 1943 second front, and Churchill at no stage contemplated military penetration of the Balkans on a major scale, although he certainly believed that much more should be done to step up supplies to Tito. Mr Gilbert avoids value judgments and sticks to facts. He describes in detail—it is the best account so far—what happened at Casablanca, but never indicates that it was the most important conference of the whole war. He gives an account of Churchill's attempt at the last moment to switch "Dragon," the attack on the South of France to Brest and Lorient, but does not say that it was a lunatic aberration and that the Americans were quite right to crush it.

He tells us about Churchill's obsession with the idea of drawing Turkey into the war, also his plan to make landings in Norway, but he does not say that the former was a King Charles's Head and bed no

chance of success, or the latter totally impracticable. Perhaps he is right. After all most of Churchill's ideas were excellent, and in the last resort he hardly ever overruled the objections of the Chiefs of Staff if stated with enough evidence and emphasis. The reader can be left to judge the matter. If he wants a guide, consult Ronald Lewin's Churchill as Warlord, General Fraser's Alambrooke or, best of all, if he has enough time, the Grand Strategy volumes of the official war history.

What Mr Gilbert brings out most clearly is Churchill's ceaseless energy, attention to detail, demand for information, refusal to be hoodwinked, together with his wit, humour and love of sheer fun, his fondness for luxury, his gargantuan appetite for food, drink and cigars and—let his face it—his insensitivity, selfishness, egotism, showmanship and brutality. He was a great man, the greatest statesman of any country in the twentieth century, but, despite emotion and tearfulness, he was a very hard man. Perhaps one cannot be the one without the other.

Churchill's telegrams make splendid reading. He was a great sense of history. Urging General Maitland Wilson in September 1943 to capture Rhodes he said "What is your total ration strength? This is a time to think of Clive, Peterborough and Rooke's men taking Gibraltar." On the Selerio campaign he advised Alexander to be present in person. "The Battle of Suvla Bay was lost because Ian Hamilton was advised by C.G.S. to remain at a remote central point where he would know everything. Had he been on the spot he could have saved the show... I feel it my duty to set before you this experience of mine from the past."

As an encouragement to Montgomery on his assumption of Eighth Army command, Churchill pointed out that the



Historian Martin Gilbert: into the home straight with his life of Churchill

day was the anniversary of Blenheim. What other statesman would have known that the words "United Nations" first appeared in Childs Harold's Pilgrimage? But Stalin too knew something of history. When Churchill in August 1942 discoursed on the greatness of the Duke of Marlborough he said: "I think England had a greater general in Wellington who defeated Napoleon, the greatest menace of all time," and he skillfully compared Wellington's campaign in Spain with a Second Front.

Mr Gilbert's approach is strictly chronological. It is an account of what Churchill did, almost from day to day and often hour to hour, with many quotations from his minutes, telegrams, speeches and memoirs. Some of these come as a slight shock, for example, the case for poison gas: "It is absurd to consider morality on this topic when everybody used it in the last war without a word of complaint from the moralists or the Church. On the other hand, in the last war the bombing of open cities was regarded as forbidden. Now everybody does it as a matter of course. It is simply a question of fashion changing as she does between long and short skirts for women. He went on to say that he wanted the matter to be studied in cold blood by

sensible people, and not by that particular set of psalm-singing uniformed defeatists which one runs across now here and there." It was studied but the Chief of Staff decided that it would not work. By the end of this fascinating book what staggers the reader is the sheer vitality of its subject who was aged 67 to 70 during these years, suffered two heart attacks and a bout of pneumonia, and yet conducted the affairs of the country in its greatest crisis with relentless and unflagging vigour. Mr Gilbert has once again produced a memorable volume in the long saga now approaching its end. Robert Blake

Solitary man

BACKCLOTH by Dirk Bogarde. Viking £12.95, 313 pages

MY OWN early recollections of Dirk Bogarde are those of the screen idol in the Dr series and the serious actor in The Servant and Death in Venice. He then turned his back on Hollywood to become something of a recluse in Provence, to write an autobiography and novels.

Bogarde's fourth autobiographical volume, Backcloth, sets out to explain the paradox of the screen-star recluse. He finds the answer in his adolescent experiences and upbringing in an artistic and Bohemian household. His father was the Picture Editor of The Times, in charge of all the photographs. Son Dirk developed the keenest sense of colour, light, touch, and an early fascination with the theatre. Even his minimal Catholic education contributed: "the singing, the light, the mystery, the glowing candles, all these were theatre." A visit to Glasgow to see his adapted aunt Yvonne Arnaud on stage clinched it. "I found my life could be altered and the theatre was my future."

But, as a teenager, Bogarde was sent to live with Scottish kith and kin, a suffocating and claustrophobic contrast to his previous Bohemian existence. It caused an extraordinary personality change.

"I was forced to assume immediately defence mechanisms. My solitary life forced me to fantasise my only friend and partner." Bogarde's secret notebook and diaries, the basis for this volume, were part of the "shall buildings": "the hermit crab syndrome was firmly fixed and I quit that shell as I grew older to find another more suited to my size. But still a shell. These experiences also left him with an abiding fear of being possessed by other people through personal relationships. Sexual relationships had to be transient, otherwise they led to possession. Thus was created Bogarde, the star and recluse. But are we really told everything? In a book very much about relationships, certain key ones remain unexplained; his relationship with his ravishing

secretary-interpreter Harri and more so, his relationship with his closest companion and agent Forwood. The author's mother scarcely emerges from these pages. We are left with allusions to the destruction of her theatrical career by a "bewildered and stubborn" husband; "she carried the scar all her life and we, as her family, endured it for all ours." What was the scar? Were these relationships too painful to explain to us even now?

However, the book is compellingly written and always readable and nowhere more so than in its account of Capt Bogarde's war-time experiences. The army also provided him with another hermit-cab shell. Indeed, he considered staying in the services though, at the end of peace-time army career seemed pointless.

We take a leap from the years of film-making to Provence and his private retreat, his shell for more than a dozen years. It is a revealing but unsatisfactory conclusion. Bogarde describes his brief re-encounter with the American film industry, the making of the Patricia Nease story with Gladys Jackson to whom this volume is dedicated. Despite critical acclaim it flopped, confirming Bogarde's loathing of the compromises and deceptions of commercial film-making (perhaps publication of this book will prompt a re-throwing).

The rest is devoted to tantalising glimpses of his private Provencal world, his close relationship with his former publisher, the late Norah Smallwood, the painful discovery of his companion Forwood's cancer which brought them almost to the point of selling up in Provence, the death of a trusted helper and two dogs, the irritable intrusions of unwelcome guests, his presidency of the Cannes film festival.

At the end I am left with an impression of the man alone becoming a lonely man. At last, after four volumes, Bogarde, the autobiographer, has exhausted his material. I only hope Bogarde, the novelist, has not. Ted Rowlands, MI

END OF AN ERA: LETTERS AND JOURNALS OF SIR ALAN LASCELLES edited by Duff Hart-Davis. Hamish Hamilton, £15.00, 348 pages

THE LATE Sir Thomas Lascelles was for many years a courtier grave and serious, who served Edward Prince of Wales, King George VI, and our present Queen. This volume, composed of letters and extracts from a lengthy journal, gives a well-detailed account of him as a lively undergraduate, fashionable young man-about-town and wartime hero, before he bowed, and withdrew behind the silent curtains of St James's Palace in November 1920. Lascelles, as this book shows, was very much an Englishman of his time. The rapture of his life was hunting. His prowess with a gun is not reading for the tender-hearted—but many a Victorian hall vaulted stuffed animals, endlers, and trophy tiger rugs. His pride in his lineage (he was the grandson of the 9th Earl of Hereford) may not seem democratic today, but was far from untypical among his class. His artistic tastes were

Lucky courtier

those then conventional: he loved Kipling and John Massfield; he adored Brahms, and thought Mozart "wonderfully refreshing—a kind of transcendental Sullivan, freed from the fetters of Gilbertian humour." After a not very happy time at Marlborough, Oxford was a revelation. He found the joy of friendship, "of shouting at the moon, and of talking at the face," the great discovery that it doesn't matter what you do, but whom you do it with. Lascelles was up at the same time as those famous Balliol figures, Edward Horner, Charles Lister and Julian Grenfell, with whom he became a staunch friend; they shared a passion for sport and for the larks of the Annandale Club, where they caroused, and played practical jokes such as importing a pig into the quadrangle. After Oxford came real life, and the problem, in those days, of being the son of a younger

The Lord of the pawns

Lascelles' brilliant Oxford contemporary, Patrick Shaw-Stewart; a visit to her house at Taplow was a strain. "Quite an alpha weekend, though at heart I was rather terrified all the time. It's a mountain top sort of atmosphere which makes the plain dweller dizzy at times. Lord Curzon, founder member of the Souls, he found 'imperially great, but not humanly so.' (When Curzon later offered him a job, the diary comment was 'not bloody likely'.) There is entertaining Souls' gossip; Pamela Wyndham helps Lord Alfred Douglas with money, because she had been in love with his eldest brother, Duff, and he told her a story of Lady Venlock's (very hard to believe) that Balfour planned to marry Violet Lindsay, only to find she had accepted the Duke of Rutland that morning. Like all his friends, Lascelles

Memory blank

and the solution in A Death to Remember, though perhaps over-delayed, is satisfactory when it comes. Jeremiah Healy's first novel, Blunt Darts, was a debut of exceptional promise. In this second book, The Tethered Goat, he has taken a sharp turn in an unpromising direction. His private investigator, J. F. Cuddy, becomes a kind of vigilante-avenger, distastefully close to Rambo. Healy's prose has also deteriorated, and he displays a vulgar taste for making verbs out of nouns like "cab," "key," and "knob" ("she knobbed the door open"). Nevertheless, Cuddy is still a worthy invention; perhaps in opus three he will regain his original charm. William Weaver

Former editor looks back

Murdoch, Harold Evans, David Owen and a great many others that you might expect to find in the contacts-book of a man who spent most of his working life as a journalist specialising in foreign affairs and ended up, briefly, as editor of the Sunday Times. He has seen everyone and been everywhere—White House, Peking, Moscow, long stints in Paris and Rome—and come to know everyone of significance to his trade. He has felt betrayed by Sir Murdoch and he has wrestled

Crime

volunteered at outbreak of war. After the anniversary of the Battle of the Somme, he felt it would be unbearably sad to read more letters from the Great War, but I was mistaken, this is the best part of the book. War changed Tom Lascelles, gone is the blasé young man; "I am quite certain that the war has done me good, and that nine out of 10 men I know are better and jollier than they were before." In his letters, edited by Duff Hart-Davis, he purposely makes light of things. "It is surprising how well one can live with a little forethought, a little looting, and a little Fortnum and Mason." His descriptions of life in the trenches, of No-Man's Land, and Ypres "a city that might have been dead for a thousand years" are written with a new found fluency of pen. War's end brings a post in India, love at first sight with the Viceroy's daughter, a very happy marriage, and then his appointment with the Prince of Wales; as he wrote himself, he had been an exceptionally lucky man. Jane Abdy



William Golding: Nobel Prize novelist

THE MOST interesting article in this collection, published to celebrate William Golding's 75th birthday, is by Charles Monteith. He was the editor at Faber who first had sight of the manuscript of Lord of the Flies (then entitled Strangers from Within). Attached was a curt note from the reader advising not to publish. However Monteith read enough of it to realise that he was on to something important. He managed to persuade the publisher's book committee to let him work on it with the author, then a schoolmaster in Salisbury, whom he did not know from Adam. He told Golding that the opening, a long description of devastation wrought by the dropping of an atomic bomb, needed re-writing and he made one or two other suggestions. Then they met for the first time and the trimly bearded Golding (who had in fact written three or four earlier novels which he had set aside) took his novel away and re-wrote it with a will. The whole episode was left to be inferred by the reader and the entire action was confined to the island. The original title was scrapped and after a number of rejected tries a title-gem of Faber's came up with Lord of the Flies. The essays divide between this kind of personal reminiscence and literary exposition. I enjoyed the former, and was made to feel by the latter that Golding's work is strangely resistant to lit. crit. C. S. Lewis whose Perelandra Golding admires, we learn here, once said in a famous apologist's bon mot that—"Nonsense doesn't cease to be nonsense when it is

talked about God." After this book we can substitute the word Golding at the end of that sentence. Former pupils and clowns are, though, enlightening about the man. Not only was he a dominie before he became famous, his father was one too, a legendary teacher of science at Marlborough Grammar School. Peter Moss describes what it was like to be taught by Alec Golding. It sounds a life-enhancing experience. Anthony's Barrett caps this with memories of being a pupil at Bishop Wordsworth's school in Salisbury when Lieut arrived there after the war to resume his teaching career. The teacher learnt the oboe in order to play in the school orchestra and produced Aristobanes The Frog. After that it is the turn of Peter Green, the classical scholar and writer, who knew Golding in Greece when the Big

Bang of Lord of the Flies had changed his life. "It was, in fact, a working summer for all of us: Bill was revising The Spire while my then wife and I were in the thick of novels of our own." We catch intermittent glimpses of Golding throughout the book as a devoted husband, father, friend and as the skipper of a small family oyster-catcher. On the critical front Jobo Bayley has a brave stab at trying to deobscure the curious lack of self in Golding's novels. An author's beguiling charm is away and somewhere else when we read his books. Several of the essays quote the description of the reging fire in the London blitz and the emerging child in Darkness Visible as a supreme example of his descriptive gift; great as this passage is, surely it owes much to Henry Green and Sanson? John Fowles wearily recalls an encounter with Golding at a dinner-party at which the show was stolen by Lord David Cecil. John Carey, the editor of the volume, prints an interview with the great man in which he describes him as a ferocious chess-player. Enthusiastic, I would say, rather than ferocious. Hardly a week goes by when I do not receive a communication through the post from William Golding. Usually his messages are of the briefest, being confined to this kind of thing: "T Q x P"; or perhaps more lengthy: "15) N x B. If N x N than B-K1." Yes, we are both sufferers from an incurable affliction known as correspondence chess. In our current game he has the White pieces and it is more or less even steps after the queens have been exchanged and both sides have castled. Happy Birthday, Bill, and watch out for my knight on E4!

The rest of us do not. If any one of the character-portraits of great was particularly enlightening or if one of the events recalled was especially significant, it might be otherwise. But these are slight tales, as lacking in substance as the pun in the book's title. They should have been printed privately, for circulation to those who enjoyed a bappy evening at what must have been the most pleasant table of Frank and Lady Kitty. Joe Rogaly

Anthony Curtis

Fiction

In the family

ONLY YESTERDAY by Julian Gloag. Hamish Hamilton, £9.95, 170 pages

TICKET TO RIDE by Dennis Potter. Faber & Faber, £9.95, 202 pages

THE DRESDEN GATE by Michael Schmidt. Hutchinson, £9.95, 152 pages

DIZZY'S WOMAN by George MacBeth. Cape, £9.95, 171 pages

THE CONNOISSEUR by Magda Sweetland. Macmillan, £9.95, 216 pages

JULIAN GLOAG'S Only Yesterday covers a weekend, the visit to his elderly parents of a middle-aged man and his daughter, a medical student in her twenties. That is all. Into it goes the life of three generations, the spirit of three periods of English life, and the nature of four people and their relationship with one another. It ends with the death of one of them, the adjustments to a new life of the others. No violence, no surprises or revelations; scarcely a plot. Though almost weirdly recognisable in their oldness, the parents are in no way stereotypes. Mary is herself only more so, Oliver her husband the same. Their son, Rupert, is fuzziest round the edges. His daughter Miranda, child of her time, with her smelly public-school lover Archie, layabout and lout, is more clearly defined. Do they love, need, support one another? Well, by the end one thinks: yes. This is fine, almost disturbingly exact observation, a style to cherish, and dialogue one can hear.

By contrast, Dennis Potter's Ticket to Ride is all plot, action, violence and surprise; unconvincing and defeated by its format. Technically it is impossible, indeed almost incomprehensible except as a series of snapshots, all visually clear, even brilliant, but chronologically confusing and realistically improbable. John, his wife Helen, a lover, a murder, escape, despair, a country house, a setpiece or two. The novel too often reads like notes for a television play, an unfinished script or merely scenes from a television play. This is sad from a writer of great power in his right medium. Michael Schmidt's Dresden Gate is set in Mexico, his birthplace, land of grandeur and despair. To say it recalls The Bridge of San Luis Rey a little is the best compliment I can give it; and not just because both are set in Latin America, therefore timeless by European standards (in Schmidt's book there is a motor-car and branch line of the railway, otherwise it might as well be in Wilder's 18th century). It also has something of Wilder's clarity, precision, economy and cold clear light; ending, as he does, on a question mark. Revolution is in the air, death in the family. The end is violent and inconclusive. Short, concise, memorable, the novel haunts the imagination. Dizzy's Woman of the title of George MacBeth's novel is Lady Londonderry, Frances Vane-Tempest whom he calls Vane. Marrying Mary Anne Wyndham out of pique and cupidly (and, admittedly, friendship) when Vane turns down a request for money, Disraeli nonetheless continues an amorous correspondence with his ex-mistress; and these letters form the book. Vane

Julian Gloag: busy weekend



is a Boucher nymph, plump and vernal, impossible for Dizzy either to trust or to forget; and his letters to her conjure an early Victorian world in which the manners and morals of the regency overhang the new respectability, indeed at the grandest level of life ignore it. Millis' naked but uncorseted girl is quite wrong, therefore, for the jacket. A theme that runs through the letters is the Eglinton Tournament, the famous mock-medieval absurdity which was rained out on the day (Dizzy's wedding day, incidentally). George MacBeth shows here his extraordinary sense of period and atmosphere. Magda Sweetland's The Connoisseur is a second novel, serious end talented, in style rather literary and prim, even precious. Perhaps that is merely to match the central figure, an insufferable antique dealer whose insouciance seems not, I think, quite obvious to his creator. Indeed, he seems drawn with some degree of indulgence, even sympathy. He has, at any rate, physical glamour, a presence. I found the book haunting in parts, flawed in others: the last chapter, set years ahead, is a mistaken case of dislocation. Isabel Nigley

Crime

Memory blank

A DEATH TO REMEMBER by Roger Ormerod. Constable, £9.95, 208 pages

THE TETHERED GOAT by Jeremiah Healy. Macmillan, £9.95, 222 pages

ROGER ORMEROD'S donnée is good: Cliff, a Social Security Inspector, has physically recovered from a nasty bashing, but has lost some of his memory. He has also lost his job, so he has plenty of time to investigate the cloudy patches of his past. Unfortunately, his memory—and some of the people he encounters—play tricks on him; and occasionally the reader becomes as confused as Cliff is. Still, he makes a likeable protagonist, the setting is vividly painted,

SUNDRY TIMES by Frank Giles. John Murray, £13.95, 262 pages

AUTOBIOGRAPHIES can be worth £13.95, but this one isn't. You might contemplate expenditure of such a magnitude on one of those described by Mr Giles as "the finest autobiographers who ever wrote—Gellian, Gibbon, Chateaubriand, Trollope," or you might ignore the volatile markets and open your wallet for the recollections of one who made a scratch upon history; a Churchill, say, or a Macmillan. You might, in adolescence, even steal the money to savour the life and loves of Frank Harris, although nowadays you can get the same thing for far less. Except in one circumstance, however, you

Crime

Memory blank

and the solution in A Death to Remember, though perhaps over-delayed, is satisfactory when it comes. Jeremiah Healy's first novel, Blunt Darts, was a debut of exceptional promise. In this second book, The Tethered Goat, he has taken a sharp turn in an unpromising direction. His private investigator, J. F. Cuddy, becomes a kind of vigilante-avenger, distastefully close to Rambo. Healy's prose has also deteriorated, and he displays a vulgar taste for making verbs out of nouns like "cab," "key," and "knob" ("she knobbed the door open"). Nevertheless, Cuddy is still a worthy invention; perhaps in opus three he will regain his original charm. William Weaver

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Former editor looks back

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AT 10 am on a grey September morning Hereford, near the Welsh border, is a sluggish rural backwater struggling fully to life. The Cathedral broods morosely—it needs £1m 'urgently'—while a meddlesome Dalmatian barks at a policeman. Many shoppers are in tweeds or shooting jackets and are piling their purchases into Mercedes or Volvos with silver statuettes of racehorses or leaping salmon perched rakishly on the bonnet.

In short, we are at one of the outermost fringes of the English Football League, and thus many miles removed from the great conurbations that give the League life. We are here to watch Hereford play Burnley in a Division Four encounter, and to ponder if minnows like these have any role to play in the hoped-for renaissance of English professional soccer.

After all, the image of the professional player, though the caricature of a decrepit cloth cap entertainment battered by turgidity, leeches by greed and seriously fatigued by the struggle of the biggest clubs to prop up the small, is one not expunged easily. Of all the accusations levelled at the game, the two with omnibus appeal to the broadest range of critics are the charge that pro soccer's biggest problems (violence apart) are the tottering edifice of the League structure itself, and the belief that the game will never flourish until the fans get value—exciting entertainment in comfortable stadiums where a family feels welcome.

Timorous reforms are in train, but the prospect of a breakaway Super League of the richest and ablest has probably not needed. In the meantime, who needs Hereford, or rather Hereford FC, or rather Hereford United Football Club (1939) Ltd and its exotic subsidiaries, which include Hereford United Football Club (1932)?

Fourteen years ago, Hereford vaulted from outer darkness into Division Four, went straight into the Third, progressed to the Second, enjoyed its hour of supernatural glory, was relegated by a single point and sank back down to the wilderness of the Fourth where we find it today—blasted by the winds of Thatcherism and its own financial crises but somehow, sprightly, still in one piece. As kick-off time approaches for the Hereford-Burnley game,



# Soccer's hard struggle to win back the fans

Are English soccer fans getting value for their money?

Michael Thompson-Noel visits Hereford, in the depths of Division Four, while Philip Coggan visits 'Spurs', the UK's only Stock Exchange-listed soccer club.



refugees from the east of Cheshire appeared to be playing for stiletto. The operator, with five at the back, using the very impressive Reckon as sweeper.

Spurs ran husily in front of the City defence. Galvin, Waddle and Chico were all playing wide; and with Mitchell, Thomas having little to do, the back, Tottenham effectively had four winners.

The Spurs crowd are more prone than most to favouritism. There was, thus, little chance of them losing patience with Hoddle, who has cheered many a freezing February afternoon. The all-action of Stevens and the solid Clarence were also popular and Gouzenon by adding a welcome composure to the back four, was fast becoming so. Waddle, alas, does not seem to excite North Londoners' affection. With an electrifying burst he can turn a match; but all too often he seems merely to lose the ball.

Whether Waddle will ever win the hearts of White Hart Lane is open to question, but Roberts did so years ago. He it was who solved the problem of City's defence by running straight at the goal and hammering the ball into the corner of the net, thus punishing Manchester for their lack of ambition.

Did the game I saw offer value for money? By a happy coincidence, I recently spent the same amount of money attending the Test match at the Oval and the American football at Wembley, so it is possible to make a rough comparison. At the cricket, I was given four times as many hours of entertainment and a seat. At the American football, I was given twice as many hours. With even better value for money (ironically, I was soaked to the skin walking up Wembley Way).

The American game also featured the Dallas Cowboys, for whom Tottenham's tape recording of Doris Day singing 'Que Sera' was not an adequate substitute. On purely sporting comparisons, then, soccer came out unfavourably—and that is even before you consider that £9 would buy 24 hours of a West End play or ballet or entrance to two separate films.

However, those who are sounding the death knell for soccer should remember that a crowd of 20,000 at any event is a remarkable achievement. And the faithful still watch because, like Hoddle and Waddle, it will make it a doddle. Next week...

supporters file in slowly. All is plastic and concrete and corrugated iron, though the stadium is not particularly seedy and certainly not dirty. The worst vandalism, I am told, occurs in the female lavatories. "You wouldn't believe your eyes." There are some half-a-dozen stalls—Strongbow, Toshiba, Wyle Finance—round the Edgar Street ground, and some pretty weedy lighting. I form the impression that scores of fans are having fun elsewhere, around the corner, up a ladder—but at 2,796 the game's attendance proves only marginally below last season's average.

About 150 Burnley fans are penned in their own enclosure where they have raised two Union Jacks, but they do not look dangerous. "We don't get much trouble," I am told in the press box. "Usually, they're kept in their pen till the home fans have gone; then they're loaded straight on coaches." Today, the home crowd is placid. I hear very few "A's" and certainly no "C's", although late in the second half someone shouts from the stand: "Get that bloody cuckoo off!"

Get that bloody cuckoo off! Many a League club, Hereford has lived dangerously in recent years. In 1981, its loss was £141,701. In March 1982 it was advised to liquidate itself, but the board was determined and continued trading. However, Hereford is still on the rack. Since 1982 it has just about made money, but its income from pools has fallen so

that ticket prices this season have been boosted by about a quarter. Entry to the terraces costs £2.50, and a seat in the stand £3.75. Last season, Hereford spent £80,000 on ground safety and improvements, which just about equalled its present net profit from commercial activities.

Capacity at Edgar Road is 12,000. There are 16 full-time professional players used to be nearly 30—costing a gross £4,300 in wages every week, the population within a 30-mile radius of Hereford is about 250,000, but a surge in petrol prices can hit attendances hard. To stay afloat, says director David Vaughan, Hereford—like other minnows—must wheel and deal. In the close season it sold two players, Chris Price and Paul Maddy, for about £30,000; and bought one, Steven Spooner, from Chesterfield for £7,000.

Vaughan, a local builder, says that small clubs like Hereford are "all part of the league. Players have to come from somewhere, so we're a breeding ground. It's important that clubs like us be a part of the scene, and there's always a chance that we can make it to the First Division."

He looks sceptical when I quiz him about value for money. "OK. Most of our facilities tend to be basic. But I think that people support their local soccer team come hell and high water. Suppose we really upgraded our facilities. Would we get a good return for the money? I doubt it. For the first time this year we devised a very

advantageous deal on season tickets for one adult plus one to two children. We sold just one of these special tickets."

Out on the pitch, the game in progress is clearly professional but weak in all ball skills (the story of English soccer). Neenan, the Burnley goalie, looks hugely ambivalent about anything in the air, but the home side do not notice. In the Hereford attack, Ollie Kearns (last season's top scorer: 19 goals in all) is blond and raggy and intelligently useful; swarthy Stewart Phillips is fast and heavy-thighed; and Spooner is proving boisterously effective. Half-time: 0-0. In the second half Burnley quickly sag, and in the 71st minute Spooner breaks the deadlock with a well-struck goal, his fourth in six games. Shortly afterwards, following a fine run by Carter, Kearns hit a second goal low to Neenan's right. "We made problems for ourselves," says Hereford manager John Newman, "but the players kept going until they got it right."

In the boardroom, I am given an egg sandwich and told by chairman Peter Hill that Hereford is financially "nearly sound."

"I WISH you had AIDS, linesman!" boomed the voice behind me. Sadly, although I had paid £9 to sit in Tottenham Hotspur's main stand, there was no escape from what passes for wit in north London.

That comment was one of the few printable outbursts from a marbled crowd behind my left ear. Such remark was delivered at a decibel level that would have put the Rev Ian Paisley to shame, and most contained an expletive.

The loudmouth apart, there was little to discourage those of a nervous disposition from attending White Hart Lane. Admittedly, grandchildren of Mrs Mary Whitehouse might have had their vocabularies enlarged. But the many small boys around me showed no surprise at the language used, having already benefited, no doubt, from a course in playground Anglo-Saxon.

I seen faces so contorted with hate. Things were different for the recent Spurs vs Manchester City game. From the main stand, the terraces where I had previously stood were just a blur, and the crowd's swaying and gesticulating no more threatening than the rocking of trees in a wind. No one seemed violently inclined.

Perhaps this was because of the impressive security arrangements. A mounted policeman shepherded the ticket queue; a vanful of police motored slowly past the ground, eyeing each spectator with suspicion. No one was on hand, alas, to arrest the man with two children who pushed in front of me in the queue, but he was the only "offender." I spotted all afternoon—even on the pitch, where the referee's notebook was not required.

The biggest danger came from the weather. At 10p a minute for the footballing entertainment, a dry seat did not seem much for which to ask; but Clause 2 on my ticket informed me that "the club accepts no responsibility if the seat is affected by adverse weather conditions." After the steward had added cheerfully that rain usually swept in from the open sky, I spent most of the game with a wary eye on the clouds above.

That was my only complaint about the football peripherals. The queue for tickets was short and processed speedily by the

first half of this year the club reported a pre-tax loss of £528,000. Despite the management's plans at the time of the flotation to create a broad-based leisure group, the profit and loss account depends firmly on Spurs' ability to attract people through the turnstiles.

Attendance at the Manchester City game was 23,764, an improvement on the average gate of 20,859 last season but less than half the ground's 48,200 capacity. However, the real profits are generated in the executive boxes from which tycoons can peer through smoked glass at the assembled hot-pot.

And what of the game itself? It was not the sort that old men will recall wistfully 50 years from now. Manchester City, who took the field in a curious black-and-white outfit that made them look like

of the 60s. 11.00 Album Time with Tim Rice. 1.00 pm The Good Human Guide. 1.30 Sport on 2 including Football: Racing from Newbury; Golf (The Lawrence Batley Tournament Players Championship); Motor Racing (final practice for tomorrow's Portuguese Grand Prix) and 5.00 Sports Report. 5.00 Sports Quiz Kid. 6.30 The Press Gang. 7.00 Three in a Row. 7.30 Soccer from Spain from the Royal Festival Hall, London. 8.30 Spring Sound. 10.05 Martin Leland. 12.05 pm Night Owls with Gave Gally. 1.20 Let's Chilla presents Nightlife. 3.00-4.00 Morning Rendezvous.

11.00 am Jayco and the Wheeland Warriors. 11.30 Captain Scarlet and the Mysterons. 11.55 pm Late Call. 12.00 Alfano—James Cameron—A Director and His Work.

TSW 11.00 am Gue Honeybun's Magic Birthdays. 11.05 Ovario. 11.57 TSW News. 1.00 am Newspaper. 3.10 Connections. 5.40 The A-Team. 11.50 California Highways. 12.30 am Postscript.

TYNE TEES 11.00 am The Flintstone. 11.30 Tarzan. 11.55 pm Minnie the Minch. 12.30 am Epilogue.

ULSTER 11.00 am Felix the Cat. 11.58 Lunchtime News. 4.55 pm Sports Results. 5.02 Ulster News. 5.57 Ulster News. 11.50 Arcade. 12.15 am News at Bedtime.

YORKSHIRE 11.00 am Planet of the Apes. 11.50 pm Festival Film (Boulevard Wing). 12.30 am Music Box.

STARS ON VHF BBC RADIO 2 8.05 am David Jacobs. 8.00 Sounds

7.00 am News. 7.05 Auldies. 8.00 News. 8.05 Record Review. 10.15 Stereo Release. 11.30 Philadelpia. 11.55 am News. 12.00 am News. 12.05 am News. 12.30 am News. 12.35 am News. 12.40 am News. 12.45 am News. 12.50 am News. 12.55 am News. 1.00 am News. 1.05 am News. 1.10 am News. 1.15 am News. 1.20 am News. 1.25 am News. 1.30 am News. 1.35 am News. 1.40 am News. 1.45 am News. 1.50 am News. 1.55 am News. 2.00 am News. 2.05 am News. 2.10 am News. 2.15 am News. 2.20 am News. 2.25 am News. 2.30 am News. 2.35 am News. 2.40 am News. 2.45 am News. 2.50 am News. 2.55 am News. 3.00 am News. 3.05 am News. 3.10 am News. 3.15 am News. 3.20 am News. 3.25 am News. 3.30 am News. 3.35 am News. 3.40 am News. 3.45 am News. 3.50 am News. 3.55 am News. 4.00 am News. 4.05 am News. 4.10 am News. 4.15 am News. 4.20 am News. 4.25 am News. 4.30 am News. 4.35 am News. 4.40 am News. 4.45 am News. 4.50 am News. 4.55 am News. 5.00 am News. 5.05 am News. 5.10 am News. 5.15 am News. 5.20 am News. 5.25 am News. 5.30 am 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